SENATE JOURNAL

STATE OF ILLINOIS

NINETY-SECOND GENERAL ASSEMBLY

116TH LEGISLATIVE DAY

THURSDAY, DECEMBER 5, 2002

10:45 O'CLOCK A.M.

No. 116
[Dec. 5, 2002]

The Senate met pursuant to adjournment.
Honorable James "Pate" Philip, Wood Dale, Illinois, presiding.
Prayer by Reverend Gordon McLean, First Presbyterian Church, Springfield, Illinois.
Senator Noland led the Senate in the Pledge of Allegiance.

Senator W. Jones moved that reading and approval of the Journals of Tuesday, December 3, 2002 and Wednesday, December 4, 2002 be postponed pending arrival of the printed Journals.
The motion prevailed.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in H.A.'s 1 and 2 to Senate Bill 616
Motion to Concur in House Amendment 2 to Senate Bill 1809

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1609
A bill for AN ACT concerning health facilities.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 1609

Passed the House, as amended, December 4, 2002.
ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1609
AMENDMENT NO. 1. Amend Senate Bill 1609 by replacing everything after the enacting clause with the following:
"Section 1. Short title. This Act may be cited as the Illinois Medical District at Springfield Act.
Section 5. Creation of District. There is created in the City of Springfield a medical center district, the Illinois Medical District at Springfield, whose boundaries are 11th Street on the east, North Grand Avenue on the north, Walnut Street on the west, and Madison Street on the south. The District is created to attract and retain academic centers of excellence, viable health care facilities, medical research facilities, emerging high technology enterprises, and other facilities and uses as permitted by this Act.
Section 10. Illinois Medical District at Springfield Commission.
(a) There is created a body politic and corporate under the corporate name of the Illinois Medical District at Springfield Commission whose general purpose, in addition to and not in limitation of those purposes and powers set forth in this Act, is to:
(1) maintain the proper surroundings for a medical center

and a related technology center in order to attract, stabilize, and retain within the District hospitals, clinics, research facilities, educational facilities, or other facilities permitted under this Act; and

(2) provide for the orderly creation, maintenance, development, and expansion of (i) health care facilities and other ancillary or related facilities that the Commission may from time to time determine are established and operated (A) for any aspect of the carrying out of the Commission's purposes as set forth in this Act, (B) for the study, diagnosis, and treatment of human ailments and injuries, whether physical or mental, or (C) to promote medical, surgical, and scientific research and knowledge as permitted under this Act; and (ii) medical research and high technology parks, together with the necessary lands, buildings, facilities, equipment, and personal property for those parks.

(b) The Commission has perpetual succession and the power to contract and be contracted with, to sue and be sued except in actions sounding in tort, to plead and be impleaded, to have and use a common seal, and to alter the same at pleasure. All actions sounding in tort against the Commission shall be prosecuted in the Court of Claims. The principal office of the Commission shall be in the City of Springfield.

(c) The Commission shall consist of the following members: 4 members appointed by the Governor, with the advice and consent of the Senate; 4 members appointed by the Mayor of Springfield, with the advice and consent of the Springfield city council; and one member appointed by the Chairperson of the County Board of Sangamon County. The initial members of the Commission appointed by the Governor shall be appointed for terms ending, respectively on the second, third, fourth, and fifth anniversaries of their appointments. The initial members appointed by the Mayor of Springfield shall be appointed 2 each for terms ending, respectively, on the second and third anniversaries of their appointments. The initial member appointed by the Chairperson of the County Board of Sangamon County shall be appointed for a term ending on the fourth anniversary of the appointment. Thereafter, all the members shall be appointed to hold office for a term of 5 years and until their successors are appointed as provided in this Act.

(d) Any vacancy in the membership of the Commission occurring by reason of the death, resignation, disqualification, removal, or inability or refusal to act of any of the members of the Commission shall be filled by the authority that had appointed the particular member, and for the unexpired term of office of that particular member. A vacancy caused by the expiration of the period for which the member was appointed shall be filled by a new appointment for a term of 5 years from the date of the expiration of the prior 5-year term notwithstanding when the appointment is actually made. The Commission shall obtain, under the provisions of the Personnel Code, such personnel as to the Commission shall deem advisable to carry out the purposes of this Act and the work of the Commission.

(e) The Commission shall hold regular meetings annually for the election of a President, Vice-President, Secretary, and Treasurer, for the adoption of a budget, and for such other business as may properly come before it. The Commission shall elect as the President a member of the Commission appointed by the Mayor of Springfield and as the Vice-President a member of the Commission appointed by the Governor. The Commission shall establish the duties and responsibilities of its officers by rule. The President or any 3 members of the Commission may call special meetings of the

Commission. Each Commissioner shall take an oath of office for the faithful performance of his or her duties. The Commission may not transact business at a meeting of the Commission unless there is present at the meeting a quorum consisting of at least 5 Commissioners. Meetings may be held by telephone conference or other communications equipment by means of which all persons participating in the meeting can communicate with each other.

(f) The Commission shall submit to the General Assembly, not later than March 1 of each odd-numbered year, a detailed report covering its operations for the 2 preceding calendar years and a statement of its program for the next 2 years.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader, and the Clerk of the House of Representatives and the President, the Minority Leader, and the Secretary of the Senate and with the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act, and by filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act.

(g) The Auditor General shall conduct audits of the Commission in the same manner as the Auditor General conducts audits of State agencies under the Illinois State Auditing Act.

(h) Neither the Commission nor the District have any power to tax.

(i) The Commission is a public body and subject to the Open Meetings Act and the Freedom of Information Act.

Section 15. Grants; loans; contracts. The Commission may apply for and accept grants, loans, or appropriations from the State of Illinois, the federal government, any State or federal agency or instrumentality, any unit of local government, or any other person or entity to be used for any of the purposes of the District. The Commission may enter into any agreement with the State of Illinois, the federal government, any State or federal instrumentality, any unit of local government, or any other person or entity in relation to the grants, matching grants, loans, or appropriations. The Commission also may, by contractual agreement, accept and collect assessments or fees from entities who enter into such a contractual agreement for District enhancement and improvements, common area shared services, shared facilities, or other activities or expenditures in furtherance of the purposes of this Act. The Commission may make grants to neighborhood organizations within the District for the purpose of benefitting the community.

Section 20. Property; acquisition. The Commission is authorized to acquire the fee simple title to real property lying within the District and personal property required for its purposes, by gift, purchase, or otherwise. Title shall be taken in the corporate name of the Commission. The Commission may acquire by lease any real property lying within the District and personal property found by the Commission to be necessary for its purposes and to which the Commission finds that it need not acquire the fee simple title for carrying out of those purposes. All real and personal property within the District, except that owned and used for purposes authorized under this Act by medical institutions or allied educational institutions, hospitals, dispensaries, clinics, dormitories or homes for the nurses, doctors, students, instructors, or other officers or employees of those institutions located in the District, or any real property that is used for offices or for recreational purposes in connection with those institutions, or any improved residential property within a currently effective historical district properly

designated under a federal statute or a State or local statute that has been certified by the Secretary of the Interior to the Secretary of the Treasury as containing criteria that will substantially achieve the purpose of preserving and rehabilitating buildings of historical significance to the district, may be acquired by the Commission in its corporate name under the provisions for the exercise of the right of eminent domain under Article VII of the Code of Civil Procedure. The Commission has no quick-take powers, no zoning powers, and no power to establish or enforce building codes. The Commission may not acquire any property pursuant to this Section before a comprehensive master plan has been approved under Section 70.

Section 25. Construction. The Commission may, in its corporate capacity, construct or cause to be constructed within the District, hospitals, sanitariums, clinics, laboratories, or any other institution, building, or structure or other ancillary or related facilities that the Commission may, from time to time, determine are established and operated (i) for the carrying out of any aspect of the Commission's purposes as set forth in this Act, for the study, diagnosis, and treatment of human ailments and injuries, whether physical or mental, or to promote medical, surgical, and scientific research and knowledge, for any uses the Commission shall determine will support and nurture facilities and uses permitted by this Act, or for such nursing, extended care, or other facilities as the Commission shall find useful in the study of, research in, or treatment of illnesses or infirmities peculiar to aged people, after a public hearing to be held by any Commissioner or other person authorized by the Commission to conduct the hearing, which Commissioner or other person has the power to administer oaths and affirmations and take the testimony of witnesses and receive such documentary evidence as shall be pertinent, the record of which hearing he or she shall certify to the Commission, which record shall become part of the records of the Commission, notice of the time, place, and purpose of the hearings to be given by a single publication notice in a secular newspaper of general circulation in the City of Springfield at least 10 days before the date of the hearing, or (ii) for such institutions as shall engage in the training, education, or rehabilitation of persons who by reason of illness or physical infirmity are wholly or partially deprived of their powers of vision or hearing or of the use of such other part or parts of their bodies as prevent them from pursuing normal activities of life, for office buildings for physicians or dealers in medical accessories, for dormitories, homes, or residences for the medical profession, including interns, nurses, students, or other officers or employees of the institutions within the District, for the use of relatives of patients in the hospitals or other institutions within the District, for the rehabilitation or establishment of residential structures within a historic district properly designated under a federal statute or a State or local statute that has been certified by the Secretary of the Interior to the Secretary of the Treasury as containing criteria that will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district, or such other areas of the District as the Commission shall designate, for research, development, and resultant production in any of the fields of medicine, chemistry, pharmaceuticals, physics, and genetically engineered products, for biotechnology, information technology, medical technology, or environmental technology, for the research and development of engineering, or for computer technology related to any of the purposes for which the Commission may construct structures and improvements within the

District. All such structures and improvements shall be erected and constructed in accordance with the provisions of the Illinois Procurement Code that apply to State agencies. No construction may be undertaken pursuant to this Section before a comprehensive master plan has been approved under Section 70.

Section 30. Relocation assistance. The Commission shall provide relocation assistance to persons and entities displaced by the Commission's acquisition of property and improvement of the District. Relocation assistance shall not be less than provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Relocation assistance may include assistance with the moving of a residential unit to a new location. The Commission shall establish a single point of contact for all relocation assistance under this Section.

Section 35. Bonds. To obtain the funds necessary for financing the acquisition of land, for the acquisition, construction, maintenance, and rehabilitation of facilities and equipment within the District, and for the operation of the District as set forth in this Act, the Commission may borrow money from any public or private agency, department, corporation, or person. In evidence of and as security for funds borrowed, the Commission may issue revenue bonds in its corporate capacity to be payable from the revenues derived from the operation of the institutions or buildings owned, leased, or operated by or on behalf of the Commission, but the bonds shall in no event constitute an indebtedness of the Commission or a claim against the property of the Commission. The bonds may be issued in such denominations as may be expedient, in such amounts, and at such rates of interest as the Commission shall deem necessary to provide sufficient funds to pay all the costs authorized under this Section. The bonds shall be executed by the President of the Commission, attested by the Secretary, and sealed with the Commission's corporate seal. If either of those officers of the Commission who shall have signed or attested any of the bonds shall have ceased to be such officer before delivery of the bonds, the signature of the officer shall be valid and sufficient to the same effect as if the officer had remained in office at the time of delivery. The Commission shall furnish the State Comptroller with a record of all bonds issued under this Act.

Section 40. Power to sell or lease. The Commission may sell, convey, transfer, or lease, all at fair market value, any title or interest in real property owned by it to any person or persons, to be used, subject to the restrictions of this Act, for the purposes stated in Section 25, or for the purpose of serving persons using the facilities offered within the District or for carrying out of any aspect of the Commission's purposes as set forth in Section 10 of this Act, subject to such restrictions as to the use of the real property as the Commission shall determine will carry out the purpose of this Act. To assure that the use of the real property so sold or leased is in accordance with the provisions of this Act, the Commission shall inquire into and satisfy itself concerning the financial ability of the purchaser to complete the project for which the real property is sold or leased in accordance with a plan to be presented by the purchaser or lessee, which plan shall be submitted, in writing, to the Commission. Under the plan, the purchaser or lessee shall undertake (1) to use the land for the purposes designated in the plan so presented; (2) to commence and complete the construction of the buildings or other structures to be included in the project within such periods of time as the Commission fixes as reasonable; and (3) to comply with such other conditions as the

Commission shall determine are necessary to carry out the project. All conveyances and leases authorized in this Section shall be on condition that, in the event of use for other than the purposes prescribed in this Act, or of nonuse for a period of one year, title to the property shall revert to the Commission. All conveyances and leases made by the Commission to any corporation or person for the use of serving the residents or any person using the facilities offered within the District shall be on condition that in the event of violation of any of the restrictions as to the use of the property as the Commission shall have determined will carry out the purposes of this Act, that title to the property shall revert to the Commission. If, however, the Commission finds that financing necessary for the acquisition or lease of any real estate or for the construction of any building or improvement to be used for purposes prescribed in this Act cannot be obtained if title to the land or building or improvement is subject to such a reverter provision, which finding shall be made by the Commission after public hearing held pursuant to a single publication notice given in a secular newspaper of general circulation in the City of Springfield at least 10 days before the date of the hearing, the notice to specify the time, place, and purpose for the hearing, and upon that finding being made, the Commission may cause the real property to be conveyed free of a reverter provision, provided that at least 7 members of the Commission vote in favor thereof. The Commission may also provide in the conveyances, leases, or other documentation provisions for notice of such violations or default and the cure thereof for the benefit of any lender or mortgagee as the Commission shall determine are appropriate. If, at a regularly scheduled meeting, the Commission resolves that a parcel of real estate leased by it, or in which it has sold the fee simple title or any lesser estate, is not being used for the purposes prescribed in this Act or has been in nonuse for a period of one year, the Commission may file a law suit in the circuit court of Sangamon County to enforce the terms of the sale or lease. If a reverter of title to any property is ordered by the court under the terms of this Act, the interest of the Commission shall be subject to any then existing valid mortgage or trust deed in the nature of a mortgage, but if the title is acquired through foreclosure of that mortgage or trust deed or by deed in lieu of foreclosure of that mortgage or trust deed, then the title to the property shall not revert, but shall be subject to the restrictions as to use, but not any penalty for nonuse, contained in this Act with respect to any mortgagee in possession or its successor or assigns.

No conveyance of real property shall be executed by the Commission without the prior written approval of the Governor. The Commission may not sell, convey, transfer, or lease any property pursuant to this Section before a comprehensive master plan has been approved under Section 70.

Section 45. Notice. Before holding any public hearing prescribed in Section 40 of this Act, or any meeting regarding the passage of any resolution to file a law suit, the Commission shall give notice to the grantee or lessee, or his or her legal representatives, successors, or assigns, of the time and place of the proceeding. The notice shall be accompanied by a statement signed by the Secretary of the Commission, or by any person authorized by the Commission to sign the same, setting forth any act or things done or omitted to be done in violation, or claimed to be in violation, of any restriction as to the use of the property, whether the restriction be prescribed in any of the terms of this Act or by any restriction as to the use of the property determined by the Commission under the terms of this Act. The notice of the time and

place fixed for the proceeding shall also be given to such person or persons as the Commission shall deem necessary. The notice may be given by registered mail, addressed to the grantee, lessee, or legal representatives, successors, or assigns, at the last known address of the grantee, lessee, or legal representatives, successors, or assigns.

Section 50. Rules. The Commission may adopt reasonable and proper rules, in accordance with the Illinois Administrative Procedure Act, relative to the exercise of its powers, and proper rules to govern its proceedings, to regulate the mode and manner of all hearings held by it or at its direction, and to alter and amend those rules.

Section 55. Official documents. Copies of all official documents, findings, and orders of the Commission, certified by a Commissioner or by the Secretary of the Commission to be true copies of the originals, under the official seal of the Commission, shall be evidence in like manner as the originals.

Section 60. Judicial review. Any party may obtain a judicial review of a final order or decision of the Commission in the circuit court of Sangamon County only under and in accordance with the provisions of the Administrative Review Law and the rules adopted under that Law. The circuit court shall take judicial notice of all the rules of practice and procedure of the Commission.

Section 65. Parks. The Commission may set apart any part of the District as a park, except those areas owned, operated, or used for purposes authorized under this Act by organizations or institutions engaged in the delivery or conduct of health care services, education, or research, and may construct, control, and maintain the same or may provide by contract with the Springfield Park District or the City of Springfield for the construction, control, and maintenance of any area within the District set apart as a park.

Section 70. Master plan; improvement and management of District. The Commission shall prepare and approve a comprehensive master plan for the orderly development and management of all property within the District. The master plan, and any amendment to the master plan, shall not take effect, however, until it has been approved by the advisory council and the Springfield city council. The Commission shall take the actions permitted to be taken by it under this Act as it may determine are appropriate to provide conditions most favorable for the special care and treatment of the sick and injured and for the study of disease and for any other purpose in Section 25 of this Act. In the master plan, the Commission may provide for shared services and facilities within the District for the accredited schools of medicine and the licensed non-profit acute care hospitals within the District.

Section 75. Advisory Council. The Commission must establish an advisory council consisting of 2 representatives, appointed for one-year terms by the Mayor of Springfield, of each recognized neighborhood organization that the Mayor determines has a legitimate interest in the development and improvement of the District. There is no limit on the number of terms to which a person may be appointed as a member. The advisory council shall review and make recommendations to the Commission with respect to the comprehensive master plan to be adopted by the Commission. The advisory council may fulfill such other responsibilities as the Commission may request in furtherance of the purposes of this Act. The advisory council shall meet at the call of the President of the Commission and shall conduct its affairs in accordance with the rules that the Commission may adopt from time to time for the governance and operation of the advisory council.

Section 80. Public hearing. The Commission shall conduct a

public hearing prior to either acquiring through eminent domain under Section 20 of this Act real or personal property within the District or approving under Section 70 of this Act a comprehensive master plan. The Commission shall also conduct a public hearing whenever it is otherwise required by law to do so, and may conduct a public hearing whenever it may elect to do so.

The Commission shall conduct the public hearing called by it in accordance with the requirements of the law mandating it, if any, or in accordance with the provisions of this Section if either the law mandating it is silent as to the procedures for its holding or if the Commission elects to hold a public hearing in the absence of any law mandating it.

In the absence of any law, or of any procedures in any law, mandating the holding of a public hearing, the Commission may authorize a Commissioner or other person of legal age to conduct a hearing. The Commissioner or other authorized person has the power to administer oaths and affirmations, take the testimony of witnesses, take and receive the production of papers, books, records, accounts, and documents, receive pertinent evidence, and certify the record of the hearing. The record of the hearing shall become part of the Commission's record. Notice of the time, place, and purpose of the hearing shall be given by a single publication notice in a secular newspaper of general circulation in the City of Springfield at least 10 days before the date of the hearing.

Section 85. Jurisdiction. This Act shall not be construed to limit the jurisdiction of the City of Springfield to territory outside the limits of the District nor to impair any power now possessed by or hereafter granted to the City of Springfield or to cities generally. Property owned by and exclusively used by the Commission shall be exempt from taxation and shall be subject to condemnation by the State and any municipal corporation or agency of the State for any State or municipal purpose under the provisions for the exercise of the right of eminent domain under Article VII of the Code of Civil Procedure.

Section 90. Disposition of money; income fund. All money received by the Commission from the sale or lease of any property, in excess of the amount expended by the Commission for authorized purposes under this Act or as may be necessary to satisfy the obligation of any revenue bond issued pursuant to Section 35, shall be paid into the State treasury for deposit into the Illinois Medical District at Springfield Income Fund. The Commission is authorized to use all money received as rentals for the purposes of planning, acquisition, and development of property within the District, for the operation, maintenance, and improvement of property of the Commission, and for all purposes and powers set forth in this Act. All moneys held pursuant to this Section shall be maintained in a depository approved by the State Treasurer. The Auditor General shall, at least biennially, audit or cause to be audited all records and accounts of the Commission pertaining to the operation of the District.

Section 95. Attorney General. The Attorney General of the State of Illinois is the legal advisor to the Commission and shall prosecute or defend, as the case may be, all actions brought by or against the Commission.

Section 900. The State Finance Act is amended by adding Sections 5.595 and 6z-60 as follows:

(30 ILCS 105/5.595 new)

Sec. 5.595. The Illinois Medical District at Springfield Income Fund.

(30 ILCS 105/6z-60 new)

Sec. 6z-60. Illinois Medical District at Springfield Income Fund. All payments received from the Illinois Medical District at Springfield Commission for deposit into the Illinois Medical District at Springfield Income Fund shall be expended only pursuant to appropriation. Amounts in the Fund may be appropriated to the Commission for use in purchasing real estate.

Section 999. Effective date. This Act takes effect on January 1, 2003.".

Under the rules, the foregoing **Senate Bill No. 1609**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1976

A bill for AN ACT concerning insurance.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1976

Passed the House, as amended, December 4, 2002.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1976

AMENDMENT NO. 1. Amend Senate Bill 1976 by replacing the title with the following:

"AN ACT concerning insurance."; and

by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Insurance Code is amended by changing Sections 205 and 226.1 as follows:

(215 ILCS 5/205) (from Ch. 73, par. 817)

Sec. 205. Priority of distribution of general assets.

(1) The priorities of distribution of general assets from the company's estate is to be as follows:

(a) The costs and expenses of administration, including the expenses of the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and of any similar organization in any other state as prescribed in subsection (c) of Section 545.

(b) Secured claims, including claims for taxes and debts due the federal or any state or local government, that are secured by liens perfected prior to the filing of the complaint.

(c) Claims for wages actually owing to employees for services rendered within 3 months prior to the date of the filing of the complaint, not exceeding $1,000 to each employee unless there are claims due the federal government under paragraph (f), then the claims for wages shall have a priority of distribution immediately following that of federal claims under paragraph (f) and immediately preceding claims of general creditors under paragraph (g).

(d) Claims by policyholders, beneficiaries, and insureds, under insurance policies, annuity contracts, and funding agreements, and liability claims against insureds covered under

insurance policies and insurance contracts issued by the company, and claims of the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and any similar organization in another state as prescribed in Section 545. For purposes of this Section, "funding agreement" means an agreement whereby an insurer authorized to write business under Class 1 of Section 4 of this Code may accept and accumulate funds and make one or more payments at future dates in amounts that are not based upon mortality or morbidity contingencies.

(e) Claims by policyholders, beneficiaries, and insureds, the allowed values of which were determined by estimation under paragraph (b) of subsection (4) of Section 209.

(f) Any other claims due the federal government.

(g) All other claims of general creditors not falling within any other priority under this Section including claims for taxes and debts due any state or local government which are not secured claims and claims for attorneys' fees incurred by the company in contesting its conservation, rehabilitation, or liquidation.

(h) Claims of guaranty fund certificate holders, guaranty capital shareholders, capital note holders, and surplus note holders.

(i) Proprietary claims of shareholders, members, or other owners.

Every claim under a written agreement, statute, or rule providing that the assets in a separate account are not chargeable with the liabilities arising out of any other business of the insurer shall be satisfied out of the funded assets in the separate account equal to, but not to exceed, the reserves maintained in the separate account under the separate account agreement, and to the extent, if any, the claim is not fully discharged thereby, the remainder of the claim shall be treated as a priority level (d) claim under paragraph (d) of this subsection to the extent that reserves have been established in the insurer's general account pursuant to statute, rule, or the separate account agreement.

For purposes of this provision, "separate account policies, contracts, or agreements" means any policies, contracts, or agreements that provide for separate accounts as contemplated by Section 245.21.

To the extent that any assets of an insurer, other than those assets properly allocated to and maintained in a separate account, have been used to fund or pay any expenses, taxes, or policyholder benefits that are attributable to a separate account policy, contract, or agreement that should have been paid by a separate account prior to the commencement of receivership proceedings, then upon the commencement of receivership proceedings, the separate accounts that benefited from this payment or funding shall first be used to repay or reimburse the company's general assets or account for any unreimbursed net sums due at the commencement of receivership proceedings prior to the application of the separate account assets to the satisfaction of liabilities or the corresponding separate account policies, contracts, and agreements.

To the extent, if any, reserves or assets maintained in the separate account are in excess of the amounts needed to satisfy claims under the separate account contracts, the excess shall be treated as part of the general assets of the insurer's estate.

(2) Within 120 days after the issuance of an Order of Liquidation with a finding of insolvency against a domestic company, the Director shall make application to the court requesting authority

to disburse funds to the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and similar organizations in other states from time to time out of the company's marshaled assets as funds become available in amounts equal to disbursements made by the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and similar organizations in other states for covered claims obligations on the presentation of evidence that such disbursements have been made by the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and similar organizations in other states.

The Director shall establish procedures for the ratable allocation and distribution of disbursements to the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and similar organizations in other states. In determining the amounts available for disbursement, the Director shall reserve sufficient assets for the payment of the expenses of administration described in paragraph (1) (a) of this Section. All funds available for disbursement after the establishment of the prescribed reserve shall be promptly distributed. As a condition to receipt of funds in reimbursement of covered claims obligations, the Director shall secure from the Illinois Insurance Guaranty Fund, the Illinois Life and Health Insurance Guaranty Association, the Illinois Health Maintenance Organization Guaranty Association and each similar organization in other states, an agreement to return to the Director on demand funds previously received as may be required to pay claims of secured creditors and claims falling within the priorities established in paragraphs (a), (b), (c), and (d) of subsection (1) of this Section in accordance with such priorities.

(3) The provisions of this Section are severable under Section 1.31 of the Statute on Statutes.

(Source: P.A. 92-65, eff. 7-12-01.)

(215 ILCS 5/226.1) (from Ch. 73, par. 838.1)

Sec. 226.1. Entitled annuity payment options. Annuity contracts <u>and funding agreements</u> may be issued without a life contingency annuity payment option in the following circumstances: (1) to fund benefits under an employee benefit plan as defined in the Employee Retirement Income Security Act of 1974, as now or hereafter amended; (2) to fund the activities of an organization exempt from taxation under Internal Revenue Code Section 501(c), as now or hereafter amended; (3) to fund a program of a governmental entity or of an agency or instrumentality thereof; (4) to fund an agreement providing for periodic payments entered into in satisfaction of a claim; or (5) to fund a program of an institution having assets in excess of $25,000,000.

(Source: P.A. 86-753.)

Section 99. Effective date. This Act takes effect upon becoming law.".

Under the rules, the foregoing **Senate Bill No. 1976**, with House Amendment No. 1, was referred to the Secretary's Desk.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed

below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 1609
Motion to Concur in House Amendment 1 to Senate Bill 1976

LEGISLATIVE MEASURE FILED

The following floor amendment to the House Bill listed below has been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 1 to House Bill 5159

Senator Geo-Karis asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 10:58 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 11:49 o'clock a.m., the Senate resumed consideration of business.
Senator Petka, presiding.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 912
A bill for AN ACT with regard to education.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 912
House Amendment No. 2 to SENATE BILL NO. 912
House Amendment No. 3 to SENATE BILL NO. 912

Passed the House, as amended, December 5, 2002.
ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 912
AMENDMENT NO. 1. Amend Senate Bill 912 by replacing everything after the enacting clause with the following:
"Section 5. The School Code is amended by adding Section 2-3.131 as follows:
(105 ILCS 5/2-3.131 new)
Sec. 2-3.131. Character education; survey.".

AMENDMENT NO. 2 TO SENATE BILL 912
AMENDMENT NO. 2. Amend Senate Bill 912, AS AMENDED, by replacing

everything after the enacting clause with the following:

"Section 5. The Property Tax Code is amended by adding Sections 18-50.1, 18-92 and 18-101.47 as follows:

(35 ILCS 200/18-50.1 new)

Sec. 18-50.1. Notwithstanding any other law to the contrary, any levy adopted by a School Finance Authority created under Article 1F of the School Code is valid and shall be extended by the county clerk if it is certified to the county clerk by the Authority in sufficient time to allow the county clerk to include the levy in the extension for the taxable year.

(35 ILCS 200/18-92 new)

Sec. 18-92. Downstate School Finance Authority for Elementary Districts Law. The provisions of the Truth in Taxation Law are subject to the Downstate School Finance Authority for Elementary Districts Law.

(35 ILCS 200/18-101.47 new)

Sec. 18-101.47. Downstate School Finance Authority for Elementary Districts Law. The provisions of the Cook County Truth in Taxation Law are subject to the Downstate School Finance Authority for Elementary Districts Law.

Section 10. The School Code is amended by changing Sections 1B-6 and 1B-8 and adding Article 1F and Section 17-11.2 as follows:

(105 ILCS 5/1B-6) (from Ch. 122, par. 1B-6)

Sec. 1B-6. General powers. The purpose of the Financial Oversight Panel shall be to exercise financial control over the board of education, and, when approved by the State Board and the State Superintendent of Education, to furnish financial assistance so that the board can provide public education within the board's jurisdiction while permitting the board to meet its obligations to its creditors and the holders of its notes and bonds. Except as expressly limited by this Article, the Panel shall have all powers necessary to meet its responsibilities and to carry out its purposes and the purposes of this Article, including, but not limited to, the following powers:

(a) to sue and be sued;

(b) to provide for its organization and internal management;

(c) to appoint a Financial Administrator to serve as the chief executive officer of the Panel. The Financial Administrator may be an individual, partnership, corporation, including an accounting firm, or other entity determined by the Panel to be qualified to serve; and to appoint other officers, agents, and employees of the Panel, define their duties and qualifications and fix their compensation and employee benefits;

(d) to approve the local board of education appointments to the positions of treasurer in a Class I county school unit and in each school district which forms a part of a Class II county school unit but which no longer is subject to the jurisdiction and authority of a township treasurer or trustees of schools of a township because the district has withdrawn from the jurisdiction and authority of the township treasurer and the trustees of schools of the township or because those offices have been abolished as provided in subsection (b) or (c) of Section 5-1, and chief school business official, if such official is not the superintendent of the district. Either the board or the Panel may remove such treasurer or chief school business official;

(e) to approve any and all bonds, notes, teachers orders, tax anticipation warrants, and other evidences of indebtedness prior to issuance or sale by the school district; and notwithstanding any other provision of The School Code, as now or hereafter amended, no bonds, notes, teachers orders, tax anticipation warrants or other

evidences of indebtedness shall be issued or sold by the school district or be legally binding upon or enforceable against the local board of education unless and until the approval of the Panel has been received;

(f) to approve all property tax levies of the school district and require adjustments thereto as the Panel deems necessary or advisable;

(g) to require and approve a school district financial plan;

(h) to approve and require revisions of the school district budget;

(i) to approve all contracts and other obligations as the Panel deems necessary and appropriate;

(j) to authorize emergency State financial assistance, including requirements regarding the terms and conditions of repayment of such assistance, and to require the board of education to levy a separate local property tax, subject to the limitations of Section 1B-8, sufficient to repay such assistance consistent with the terms and conditions of repayment and the district's approved financial plan and budget;

(k) to request the regional superintendent to make appointments to fill all vacancies on the local school board as provided in Section 10-10;

(l) to recommend dissolution or reorganization of the school district to the General Assembly if in the Panel's judgment the circumstances so require;

(m) to direct a phased reduction in the oversight responsibilities of the Financial Administrator and of the Panel as the circumstances permit;

(n) to determine the amount of emergency State financial assistance to be made available to the school district, and to establish an operating budget for the Panel to be supported by funds available from such assistance, with the assistance and the budget required to be approved by the State Superintendent;

(o) to procure insurance against any loss in such amounts and from such insurers as it deems necessary;

(p) to engage the services of consultants for rendering professional and technical assistance and advice on matters within the Panel's power;

(q) to contract for and to accept any gifts, grants or loans of funds or property or financial or other aid in any form from the federal government, State government, unit of local government, school district or any agency or instrumentality thereof, or from any other private or public source, and to comply with the terms and conditions thereof;

(r) to pay the expenses of its operations based on the Panel's budget as approved by the State Superintendent from emergency financial assistance funds available to the district or from deductions from the district's general State aid; ~~and~~

(s) to do any and all things necessary or convenient to carry out its purposes and exercise the powers given to the Panel by this Article; and~~.~~

(t) to recommend the creation of a school finance authority pursuant to Article 1F of this Code.

(Source: P.A. 91-357, eff. 7-29-99.)

(105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

Sec. 1B-8. There is created in the State Treasury a special fund to be known as the School District Emergency Financial Assistance Fund (the "Fund"). The School District Emergency Financial Assistance Fund shall consist of appropriations, grants from the federal government and donations from any public or private source.

Moneys in the Fund may be appropriated only to the State Board for the purposes of this Article and for the purposes of Section 1F-62 of this Code. The appropriation may be allocated and expended by the State Board as grants or loans to school districts which are the subject of an approved petition for emergency financial assistance under Section 1B-4. From the amount allocated to each such school district the State Board shall identify a sum sufficient to cover all approved costs of the Financial Oversight Panel established for the respective school district. If the State Board and State Superintendent of Education have not approved emergency financial assistance in conjunction with the appointment of a Financial Oversight Panel, the Panel's approved costs shall be paid from deductions from the district's general State aid.

The Financial Oversight Panel may prepare and file with the State Superintendent a proposal for emergency financial assistance for the school district and for the operations budget of the Panel. No expenditures shall be authorized by the State Superintendent until he has approved the proposal of the Panel, either as submitted or in such lesser amount determined by the State Superintendent.

The maximum amount of an emergency financial assistance loan which may be allocated to any school district under this Article, including moneys necessary for the operations of the Panel, shall not exceed $1000 times the number of pupils enrolled in the school district during the school year ending June 30 prior to the date of approval by the State Board of the petition for emergency financial assistance, as certified to the local board and the Panel by the State Superintendent. An emergency financial assistance grant shall not exceed $250 times the number of such pupils. A district may receive both a loan and a grant.

The payment of an emergency State financial assistance grant or loan shall be subject to appropriation by the General Assembly. Emergency State financial assistance allocated and paid to a school district under this Article may be applied to any fund or funds from which the local board of education of that district is authorized to make expenditures by law.

Any emergency financial assistance proposed by the Financial Oversight Panel and approved by the State Superintendent may be paid in its entirety during the initial year of the Panel's existence or spread in equal or declining amounts over a period of years not to exceed the period of the Panel's existence. All loan payments made from the School District Emergency Financial Assistance Fund for a school district shall be required to be repaid, with simple interest over the term of the loan at a rate equal to 50% of the one-year Constant Maturity Treasury (CMT) yield as last published by the Board of Governors of the Federal Reserve System before ~~discount rate on one-year United States Treasury Bills as determined by the last auction of those one-year bills that precedes~~ the date on which the district's loan is approved by the State Board of Education, not later than the date the Financial Oversight Panel ceases to exist. The Panel shall establish and the State Superintendent shall approve the terms and conditions, including the schedule, of repayments. The schedule shall provide for repayments commencing July 1 of each year. Repayment shall be incorporated into the annual budget of the school district and may be made from any fund or funds of the district in which there are moneys available. When moneys are repaid as provided herein they shall not be made available to the local board for further use as emergency financial assistance under this Article at any time thereafter. All repayments required to be made by a school district shall be received by the State Board and deposited in the School District Emergency Financial Assistance Fund.

In establishing the terms and conditions for the repayment obligation of the school district the Panel shall annually determine whether a separate local property tax levy is required. The board of any school district with a tax rate for educational purposes for the prior year of less than 120% of the maximum rate for educational purposes authorized by Section 17-2 shall provide for a separate tax levy for emergency financial assistance repayment purposes. Such tax levy shall not be subject to referendum approval. The amount of the levy shall be equal to the amount necessary to meet the annual repayment obligations of the district as established by the Panel, or 20% of the amount levied for educational purposes for the prior year, whichever is less. However, no district shall be required to levy the tax if the district's operating tax rate as determined under Section 18-8 or 18-8.05 exceeds 200% of the district's tax rate for educational purposes for the prior year.

(Source: P.A. 90-548, eff. 1-1-98; 90-802, eff. 12-15-98.)

(105 ILCS 5/Art. 1F heading new)

ARTICLE 1F. DOWNSTATE SCHOOL FINANCE AUTHORITY FOR ELEMENTARY DISTRICTS

(105 ILCS 5/1F-1 new)

Sec. 1F-1. Short title. This Article may be cited as the Downstate School Finance Authority for Elementary Districts Law.

(105 ILCS 5/1F-5 new)

Sec. 1F-5. Findings; purpose; intent.

(a) The General Assembly finds all of the following:

(1) A fundamental goal of the people of this State, as expressed in Section 1 of Article X of the Illinois Constitution, is the educational development of all persons to the limits of their capacities. When a board of education faces financial difficulties, continued operation of the public school system is threatened.

(2) A sound financial structure is essential to the continued operation of any school system. It is vital to commercial, educational, and cultural interests that public schools remain in operation. To achieve that goal, public school systems must have effective access to the private market to borrow short and long term funds.

(3) To promote the financial integrity of districts, as defined in this Article, it is necessary to provide for the creation of school finance authorities with the powers necessary to promote sound financial management and to ensure the continued operation of the public schools.

(b) It is the purpose of this Article to provide a secure financial basis for the continued operation of public schools. The intention of the General Assembly, in creating this Article, is to establish procedures, provide powers, and impose restrictions to ensure the financial and educational integrity of the public schools, while leaving principal responsibility for the educational policies of public schools to the boards of education within the State, consistent with the requirements for satisfying the public policy and purpose set forth in this Article.

(105 ILCS 5/1F-10 new)

Sec. 1F-10. Definitions. As used in this Article:

"Authority" means a School Finance Authority created under this Article.

"Bonds" means bonds authorized to be issued by the Authority under Section 1F-65 of this Code.

"Budget" means the annual budget of the district required under Section 17-1 of this Code, as in effect from time to time.

"Chairperson" means the Chairperson of the Authority.

"District" means any elementary school district having a population of not more than 500,000 that prior to December 1, 2002 has had a Financial Oversight Panel established for the district under Section 1B-4 of this Code following the district's petitioning of the State Board of Education for the creation of the Financial Oversight Panel.

"Financial plan" means the financial plan of the district to be developed pursuant to this Article, as in effect from time to time.

"Fiscal year" means the fiscal year of the district.

"State Board" means the State Board of Education.

"State Superintendent" means the State Superintendent of Education.

"Obligations" means bonds and notes of the Authority.

(105 ILCS 5/1F-15 new)

Sec. 1F-15. Establishment of Authority; duties of district.

(a) A Financial Oversight Panel created under Article 1B of this Code for a district may petition the State Board for the establishment of a School Finance Authority for the district. The petition shall cite the reasons why the creation of a School Finance Authority for the district is necessary. The State Board may grant the petition upon determining that the approval of the petition is in the best educational and financial interests of the district. The State Board may establish an Authority without a petition from a Financial Oversight Panel. In any event, an Authority may only be established by resolution of the State Board within 5 days after the effective date of this amendatory Act of the 92nd General Assembly.

(b) Upon establishment of the Authority, all of the following shall occur:

(1) There is established a body both corporate and politic to be known as the "(Name of School District) School Finance Authority", which in this name shall exercise all authority vested in an Authority by this Article.

(2) The Financial Oversight Panel is abolished, and all of its rights, property, assets, contracts, and liabilities shall pass to and be vested in the Authority.

(3) The duties and obligations of the district under Article 1B of this Code shall be transferred and become duties and obligations owed by the district to the School Finance Authority.

(c) In the event of a conflict between the provisions of this Article and the provisions of Article 1B of this Code, the provisions of this Article control.

(105 ILCS 5/1F-20 new)

Sec. 1F-20. Members of Authority; meetings.

(a) Upon establishment of a School Finance Authority under Section 1F-15 of this Code, the State Superintendent shall within 15 days thereafter appoint 5 members to serve on a School Finance Authority for the district. Of the initial members, 2 shall be appointed to serve a term of 2 years and 3 shall be appointed to serve a term of 3 years. Thereafter, each member shall serve for a term of 3 years and until his or her successor has been appointed. The State Superintendent shall designate one of the members of the Authority to serve as its Chairperson. In the event of vacancy or resignation, the State Superintendent shall, within 10 days after receiving notice, appoint a successor to serve out that member's term. The State Superintendent may remove a member for incompetence, malfeasance, neglect of duty, or other just cause.

Members of the Authority shall be selected primarily on the basis of their experience and education in financial management, with consideration given to persons knowledgeable in education finance.

Two members of the Authority shall be residents of the school district that the Authority serves. A member of the Authority may not be a member of the district's school board or an employee of the district nor may a member have a direct financial interest in the district.

Authority members shall serve without compensation, but may be reimbursed by the State Board for travel and other necessary expenses incurred in the performance of their official duties. Unless paid from bonds issued under Section 1F-65 of this Code, the amount reimbursed members for their expenses shall be charged to the school district as part of any emergency financial assistance and incorporated as a part of the terms and conditions for repayment of the assistance or shall be deducted from the district's general State aid as provided in Section 1B-8 of this Code.

The Authority may elect such officers as it deems appropriate.

(b) The first meeting of the Authority shall be held at the call of the Chairperson. The Authority shall prescribe the times and places for its meetings and the manner in which regular and special meetings may be called and shall comply with the Open Meetings Act.

Three members of the Authority shall constitute a quorum. When a vote is taken upon any measure before the Authority, a quorum being present, a majority of the votes of the members voting on the measure shall determine the outcome.

(105 ILCS 5/1F-25 new)

Sec. 1F-25. General powers. The purposes of the Authority shall be to exercise financial control over the district and to furnish financial assistance so that the district can provide public education within the district's jurisdiction while permitting the district to meet its obligations to its creditors and the holders of its debt. Except as expressly limited by this Article, the Authority shall have all powers granted to a voluntary or involuntary Financial Oversight Panel and to a Financial Administrator under Article 1B of this Code and all other powers necessary to meet its responsibilities and to carry out its purposes and the purposes of this Article, including without limitation all of the following powers, provided that the Authority shall have no power to terminate any employee without following the statutory procedures for such terminations set forth in this Code:

(1) To sue and to be sued.

(2) To make, cancel, modify, and execute contracts, leases, subleases, and all other instruments or agreements necessary or convenient for the exercise of the powers and functions granted by this Article, subject to Section 1F-45 of this Code. The Authority may at a regular or special meeting find that the district has insufficient or inadequate funds with respect to any contract, other than collective bargaining agreements.

(3) To purchase real or personal property necessary or convenient for its purposes; to execute and deliver deeds for real property held in its own name; and to sell, lease, or otherwise dispose of such of its property as, in the judgment of the Authority, is no longer necessary for its purposes.

(4) To appoint officers, agents, and employees of the Authority, including a chief executive officer, a chief fiscal officer, and a chief educational officer; to define their duties and qualifications; and to fix their compensation and employee benefits.

(5) To transfer to the district such sums of money as are not required for other purposes.

(6) To borrow money, including without limitation accepting State loans, and to issue obligations pursuant to this Article;

to fund, refund, or advance refund the same; to provide for the rights of the holders of its obligations; and to repay any advances.

(6.5) To levy all property tax levies that otherwise could be levied by the district, and to make levies pursuant to Section 1F-62 of this Code. This levy or levies shall be exempt from the Truth and Taxation Law and the Cook County Truth and Taxation Law.

(7) Subject to the provisions of any contract with or for the benefit of the holders of its obligations, to purchase or redeem its obligations.

(8) To procure all necessary goods and services for the Authority in compliance with the purchasing laws and requirements applicable to the district.

(9) To do any and all things necessary or convenient to carry out its purposes and exercise the powers given to it by this Article.

(10) To recommend annexation, consolidation, dissolution, or reorganization of the district, in whole or in part, to the State Board if in the Authority's judgment the circumstances so require. No such proposal for annexation, consolidation, dissolution, or reorganization shall occur unless the Authority and all other districts directly affected by the annexation, consolidation, dissolution, or reorganization have each approved by majority vote the annexation, consolidation, dissolution, or reorganization. Notwithstanding any other law to the contrary, upon approval of the proposal by the State Board, the State Board and all other affected entities shall forthwith implement the proposal. When a dissolution and annexation becomes effective for purposes of administration and attendance, the positions of teachers in contractual continued service in the district being dissolved shall be transferred to the annexing district or districts, pursuant to the provisions of Section 24-12 of this Code. In the event that the territory is added to 2 or more districts, the decision on which positions shall be transferred to which annexing districts shall be made by giving consideration to the proportionate percentage of pupils transferred and the annexing districts' staffing needs, and the transfer of teachers in contractual continued service into positions shall be based upon the request of those teachers in contractual continued service in order of seniority in the dissolving district. The status of all teachers in contractual continued service transferred to an annexing district shall not be lost, and the board of the annexing district is subject to this Code with respect to teachers in contractual continued service who are transferred in the same manner as if the person were the annexing district's employee and had been its employee during the time the person was actually employed by the board of the dissolving district from which the position was transferred.

(105 ILCS 5/1F-30 new)

Sec. 1F-30. Chief executive officer. The Authority may appoint a chief executive officer who, under the direction of the Authority, shall supervise the Authority's staff, including the chief educational officer and the chief fiscal officer, and shall have ultimate responsibility for implementing the policies, procedures, directives, and decisions of the Authority.

(105 ILCS 5/1F-35 new)

Sec. 1F-35. Chief educational officer. The Authority may at a regular or special meeting find that cause exists to cancel the contract of the school district's superintendent who is serving at

the time the Authority is established. If there is no superintendent, then the Authority shall, following consultation with the district, employ a chief educational officer for the district, who shall have all of the powers and duties of a school district superintendent under this Code and such other duties as may be assigned by the Authority in accordance with this Code. The chief educational officer shall report to the Authority or the chief executive officer appointed by the Authority.

The district shall not thereafter employ a superintendent during the period that a chief educational officer is serving in the district. The chief educational officer shall hold a certificate with a superintendent endorsement issued under Article 21 of this Code.

(105 ILCS 5/1F-40 new)

Sec. 1F-40. Chief fiscal officer. The Authority may appoint a chief fiscal officer who, under the direction of the Authority, shall have all of the powers and duties of the district's chief school business official and any other duties regarding budgeting, accounting, and other financial matters that are assigned by the Authority, in accordance with this Code. The district may not employ a chief school business official during the period that the chief fiscal officer is serving in the district. The chief fiscal officer may but is not required to hold a certificate with a chief school business official endorsement issued under Article 21 of this Code.

(105 ILCS 5/1F-45 new)

Sec. 1F-45. Collective bargaining agreements. The Authority shall have the power to negotiate collective bargaining agreements with the district's employees in lieu of and on behalf of the district. Upon concluding bargaining, the district shall execute the agreements negotiated by the Authority, and the district shall be bound by and shall administer the agreements in all respects as if the agreements had been negotiated by the district itself.

(105 ILCS 5/1F-50 new)

Sec. 1F-50. Deposits and investments.

(a) The Authority shall have the power to establish checking and whatever other banking accounts it may deem appropriate for conducting its affairs.

(b) Subject to the provisions of any contract with or for the benefit of the holders of its obligations, the Authority may invest any funds not required for immediate use or disbursement, as provided in the Public Funds Investment Act.

(105 ILCS 5/1F-55 new)

Sec. 1F-55. Cash accounts and bank accounts.

(a) The Authority shall require the district or any officer of the district, including the district's treasurer, to establish and maintain separate cash accounts and separate bank accounts in accordance with such rules, standards, and procedures as the Authority may prescribe.

(b) The Authority shall have the power to assume exclusive administration of the cash accounts and bank accounts of the district, to establish and maintain whatever new cash accounts and bank accounts it may deem appropriate, and to withdraw funds from these accounts for the lawful expenditures of the district.

(105 ILCS 5/1F-60 new)

Sec. 1F-60. Financial, management, and budgetary structure. Upon direction of the Authority, the district shall reorganize the financial accounts, management, and budgetary systems of the district in whatever manner the Authority deems appropriate to achieve greater financial responsibility and to reduce financial inefficiency.

(105 ILCS 5/1F-62 new)

Sec. 1F-62. School District Emergency Financial Assistance Fund;

loans.

(a) Moneys in the School District Emergency Financial Assistance Fund established under Section 1B-8 of this Code may be allocated and expended by the State Board for emergency financial assistance loans to an Authority that petitions for emergency financial assistance. An emergency financial assistance loan to an Authority shall not be considered as part of the calculation of a district's debt for purposes of the limitation specified in Section 19-1 of this Code.

(b) The amount of an emergency financial assistance loan that may be allocated to an Authority under this Article, including moneys necessary for the operations of the Authority, and borrowing from sources other than the State shall not exceed, in the aggregate, $4,000 times the number of pupils enrolled in the district during the school year ending June 30 prior to the date of approval by the State Board of the petition for emergency financial assistance, as certified to the school board and the Authority by the State Superintendent. However, this limitation does not apply to borrowing by the district secured by amounts levied by the district prior to establishment of the Authority.

(c) The payment of a State emergency financial assistance loan shall be subject to appropriation by the General Assembly. State emergency financial assistance allocated and paid to an Authority under this Article may be applied to any fund or funds from which the Authority is authorized to make expenditures by law.

(d) Any State emergency financial assistance proposed by the Authority and approved by the State Superintendent may be paid in its entirety during the initial year of the Authority's existence or spread in equal or declining amounts over a period of years not to exceed the period of the Authority's existence. The State Superintendent shall not approve any loan to the Authority unless the Authority has been unable to borrow sufficient funds to operate the district.

All loan payments made from the School District Emergency Financial Assistance Fund to an Authority shall be required to be repaid not later than the date the Authority ceases to exist, with simple interest over the term of the loan at a rate equal to 50% of the one-year Constant Maturity Treasury (CMT) yield as last published by the Board of Governors of the Federal Reserve System before the date on which the Authority's loan is approved by the State Board.

The Authority shall establish and the State Superintendent shall approve the terms and conditions of the loan, including the schedule of repayments. The schedule shall provide for repayments commencing July 1 of each year. Repayment shall be incorporated into the annual budget of the district and may be made from any fund or funds of the district in which there are moneys available. When moneys are repaid as provided in this Section, they shall not be made available to the Authority for further use as emergency financial assistance under this Article at any time thereafter. All repayments required to be made by an Authority shall be received by the State Board and deposited in the School District Emergency Financial Assistance Fund.

In establishing the terms and conditions for the repayment obligation of the Authority, the Authority shall annually determine whether a separate local property tax levy is required to meet that obligation. The Authority shall provide for a separate tax levy for emergency financial assistance repayment purposes. This tax levy shall not be subject to referendum approval. The amount of the levy shall not exceed the amount necessary to meet the annual emergency financial repayment obligations of the district, including principal and interest, as established by the Authority.

(105 ILCS 5/1F-90 new)

Sec. 1F-90. Tax anticipation warrants. An Authority shall have the same power to issue tax anticipation warrants as a school board under Section 17-16 of this Code, subject to Section 1F-62 of this Code.

(105 ILCS 5/1F-115 new)

Sec. 1F-115. State or district not liable on obligations. Obligations shall not be deemed to constitute (i) a debt or liability of the State, the district, or any political subdivision of the State or district other than the Authority or (ii) a pledge of the full faith and credit of the State, the district, or any political subdivision of the State or district other than the Authority but shall be payable solely from the funds and revenues provided for in this Article. The issuance of obligations shall not directly, indirectly, or contingently obligate the State, the district, or any political subdivision of the State or district other than the Authority to levy any form of taxation therefor or to make any appropriation for their payment. Nothing in this Section shall prevent or be construed to prevent the Authority from pledging its full faith and credit to the payment of obligations. Nothing in this Article shall be construed to authorize the Authority to create a debt of the State or the district within the meaning of the Constitution or laws of Illinois, and all obligations issued by the Authority pursuant to the provisions of this Article are payable and shall state that they are payable solely from the funds and revenues pledged for their payment in accordance with the resolution authorizing their issuance or any trust indenture executed as security therefor. The State or the district shall not in any event be liable for the payment of the principal of or interest on any obligations of the Authority or for the performance of any pledge, obligation, or agreement of any kind whatsoever that may be undertaken by the Authority. No breach of any such pledge, obligation, or agreement may impose any liability upon the State or the district or any charge upon their general credit or against their taxing power.

(105 ILCS 5/1F-120 new)

Sec. 1F-120. Obligations as legal investments. The obligations issued under the provisions of this Article are hereby made securities in which all public officers and bodies of this State, all political subdivisions of this State, all persons carrying on an insurance business, all banks, bankers, trust companies, saving banks, and savings associations (including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business), and all credit unions, pension funds, administrators, and guardians who are or may be authorized to invest in bonds or in other obligations of the State may properly and legally invest funds, including capital, in their control or belonging to them. The obligations are also hereby made securities that may be deposited with and may be received by all public officers and bodies of the State, all political subdivisions of the State, and public corporations for any purpose for which the deposit of bonds or other obligations of the State is authorized.

(105 ILCS 5/1F-130 new)

Sec. 1F-130. Reports.

(a) The Authority, upon taking office and annually thereafter, shall prepare and submit to the Governor, General Assembly, and State Superintendent a report that includes the audited financial statement for the preceding fiscal year, an approved financial plan, and a statement of the major steps necessary to accomplish the objectives of the financial plan.

(b) Annual reports shall be submitted on or before March 1 of

each year.

(c) The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report as provided in Section 3.1 of the General Assembly Organization Act and by filing additional copies with the State Government Report Distribution Center for the General Assembly as required under subdivision (t) of Section 7 of the State Library Act.

(105 ILCS 5/1F-135 new)

Sec. 1F-135. Audit of Authority. The Authority shall be subject to audit in the manner provided for the audit of State funds and accounts. A copy of the audit report shall be submitted to the State Superintendent, the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate.

(105 ILCS 5/1F-140 new)

Sec. 1F-140. Assistance by State agencies, units of local government, and school districts. The district shall render such services to and permit the use of its facilities and resources by the Authority at no charge as may be requested by the Authority. Any State agency, unit of local government, or school district may, within its lawful powers and duties, render such services to the Authority as may be requested by the Authority. Upon request of the Authority, any State agency, unit of local government, or school district is authorized and empowered to loan to the Authority such officers and employees as the Authority may deem necessary in carrying out its functions and duties. Officers and employees so transferred shall not lose or forfeit their employment status or rights.

(105 ILCS 5/1F-145 new)

Sec. 1F-145. Property of Authority exempt from taxation. The property of the Authority is exempt from taxation.

(105 ILCS 5/1F-150 new)

Sec. 1F-150. Sanctions.

(a) No member, officer, employee, or agent of the district may commit the district to any contract or other obligation or incur any liability on behalf of the district for any purpose if the amount of the contract, obligation, or liability is in excess of the amount authorized for that purpose then available under the financial plan and budget then in effect.

(b) No member, officer, employee, or agent of the district may commit the district to any contract or other obligation on behalf of the district for the payment of money for any purpose required to be approved by the Authority unless the contract or other obligation has been approved by the Authority.

(c) No member, officer, employee, or agent of the district may take any action in violation of any valid order of the Authority, may fail or refuse to take any action required by any such order, may prepare, present, certify, or report any information, including any projections or estimates, for the Authority or any of its agents that is false or misleading, or, upon learning that any such information is false or misleading, may fail promptly to advise the Authority or its agents.

(d) In addition to any penalty or liability under any other law, any member, officer, employee, or agent of the district who violates subsection (a), (b), or (c) of this Section is subject to appropriate administrative discipline as may be imposed by the Authority, including, if warranted, suspension from duty without pay, removal from office, or termination of employment.

(105 ILCS 5/1F-155 new)

Sec. 1F-155. Abolition of Authority. The Authority shall be

abolished 10 years after its creation or one year after all its obligations issued under the provisions of this Article have been fully paid and discharged, whichever comes later. However, the State Board, upon recommendation of the Authority and if no obligations are outstanding, may abolish the Authority at any time after the Authority has been in existence for 3 years. Upon the abolition of the Authority, all of its records shall be transferred to the State Board and any property of the Authority shall pass to and be vested in the State Board.

(105 ILCS 5/1F-160 new)

Sec. 1F-160. Limitations of actions after abolition; indemnification; legal representation.

(a) Abolition of the Authority pursuant to Section 1F-155 of this Code shall bar any remedy available against the Authority, its members, employees, or agents for any right or claim existing or any liability incurred prior to the abolition unless the action or other proceeding is commenced prior to the expiration of 2 years after the date of the abolition.

(b) The Authority may indemnify any member, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she was a member, officer, employee, or agent of the Authority, against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding) if he or she acted in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Authority and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith in a manner that he or she reasonably believed to be in or not opposed to the best interest of the Authority and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

To the extent that a member, officer, employee, or agent of the Authority has been successful, on the merits or otherwise, in the defense of any such action, suit, or proceeding referred to in this subsection (b) or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection therewith. Any such indemnification shall be made by the Authority only as authorized in the specific case, upon a determination that indemnification of the member, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct. The determination shall be made (i) by the Authority by a majority vote of a quorum consisting of members who are not parties to the action, suit, or proceeding or (ii) if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested members so directs, by independent legal counsel in a written opinion.

Reasonable expenses incurred in defending an action, suit, or proceeding shall be paid by the Authority in advance of the final disposition of the action, suit, or proceeding, as authorized by the Authority in the specific case, upon receipt of an undertaking by or on behalf of the member, officer, employee, or agent to repay the amount, unless it is ultimately determined that he or she is entitled

to be indemnified by the Authority as authorized in this Section.

Any member, officer, employee, or agent against whom any action, suit, or proceeding is brought may employ his or her own attorney to appear on his or her behalf.

The right to indemnification accorded by this Section shall not limit any other right to indemnification to which the member, officer, employee, or agent may be entitled. Any rights under this Section shall inure to the benefit of the heirs, executors, and administrators of any member, officer, employee, or agent of the Authority.

The Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer, employee, or agent of the Authority against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Authority would have the power to indemnify him or her against the liability under the provisions of this Section.

The Authority shall be considered a State agency for purposes of receiving representation by the Attorney General. Members, officers, employees, and agents of the Authority shall be entitled to representation and indemnification under the State Employee Indemnification Act.

(105 ILCS 5/17-11.2 new)

Sec. 17-11.2. Notwithstanding any other law to the contrary, any levy adopted by a School Finance Authority created under Article 1F of this Code is valid and shall be extended by the county clerk if it is certified to the county clerk by the Authority in sufficient time to allow the county clerk to include the levy in the extension for the taxable year.

Section 99. Effective date. This Act takes effect upon becoming law.".

AMENDMENT NO. 3 TO SENATE BILL 912

AMENDMENT NO. 3. Amend Senate Bill 912, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, on page 14, line 9, before "all", by inserting "the school boards of"; and
on page 17, line 29, after "Authority", by inserting "or borrowing from sources other than the State"; and
on page 19, line 28, by replacing "Code," with "Code. Tax anticipation warrants are considered borrowing from sources other than the State and are".

Under the rules, the foregoing **Senate Bill No. 912**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1650

A bill for AN ACT in relation to taxes.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1650
House Amendment No. 2 to SENATE BILL NO. 1650
House Amendment No. 4 to SENATE BILL NO. 1650

Passed the House, as amended, December 5, 2002.
ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1650

AMENDMENT NO. 1. Amend Senate Bill 1650 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Municipal Code is amended by changing Sections 11-74.4-3, 11-74.4-4.1, 11-74.4-5, and 11-74.4-7 as follows:

(65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

Sec. 11-74.4-3. Definitions. The following terms, wherever used or referred to in this Division 74.4 shall have the following respective meanings, unless in any case a different meaning clearly appears from the context.

(a) For any redevelopment project area that has been designated pursuant to this Section by an ordinance adopted prior to November 1, 1999 (the effective date of Public Act 91-478), "blighted area" shall have the meaning set forth in this Section prior to that date.

On and after November 1, 1999, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(D) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an

adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

(I) Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

(J) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(K) Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the

municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(M) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(F) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3

of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

(3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused railyards, rail tracks, or railroad rights-of-way.

(C) The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

(E) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

(F) The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

(b) For any redevelopment project area that has been designated pursuant to this Section by an ordinance adopted prior to November 1, 1999 (the effective date of Public Act 91-478), "conservation area" shall have the meaning set forth in this Section prior to that date.

On and after November 1, 1999, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:

(1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

(3) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(4) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(5) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(6) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(7) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(8) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

(9) Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

(10) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by

inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(11) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(12) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(13) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

(c) "Industrial park" means an area in a blighted or conservation area suitable for use by any manufacturing, industrial, research or transportation enterprise, of facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities.

(d) "Industrial park conservation area" means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 1/2 miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

(e) "Labor surplus municipality" means a municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection, if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate

in the principal county in which the municipality is located.

(f) "Municipality" shall mean a city, village or incorporated town.

(g) "Initial Sales Tax Amounts" means the amount of taxes paid under the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, the Service Occupation Tax Act, the Municipal Retailers' Occupation Tax Act, and the Municipal Service Occupation Tax Act by retailers and servicemen on transactions at places located in a State Sales Tax Boundary during the calendar year 1985.

(g-1) "Revised Initial Sales Tax Amounts" means the amount of taxes paid under the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, the Service Occupation Tax Act, the Municipal Retailers' Occupation Tax Act, and the Municipal Service Occupation Tax Act by retailers and servicemen on transactions at places located within the State Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

(h) "Municipal Sales Tax Increment" means an amount equal to the increase in the aggregate amount of taxes paid to a municipality from the Local Government Tax Fund arising from sales by retailers and servicemen within the redevelopment project area or State Sales Tax Boundary, as the case may be, for as long as the redevelopment project area or State Sales Tax Boundary, as the case may be, exist over and above the aggregate amount of taxes as certified by the Illinois Department of Revenue and paid under the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act by retailers and servicemen, on transactions at places of business located in the redevelopment project area or State Sales Tax Boundary, as the case may be, during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall determine the Initial Sales Tax Amounts for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amounts". For purposes of determining the Municipal Sales Tax Increment, the Department of Revenue shall for each period subtract from the amount paid to the municipality from the Local Government Tax Fund arising from sales by retailers and servicemen on transactions located in the redevelopment project area or the State Sales Tax Boundary, as the case may be, the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts for the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act. For the State Fiscal Year 1989, this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax and the Municipal Service Occupation Tax Act, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, to June 30, 1989, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax and the Municipal Service Occupation Tax Act which shall have deducted therefrom nine-twelfths of the certified Initial

Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending June 30 to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts, as the case may be.

(i) "Net State Sales Tax Increment" means the sum of the following: (a) 80% of the first $100,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary; (b) 60% of the amount in excess of $100,000 but not exceeding $500,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary; and (c) 40% of all amounts in excess of $500,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary. If, however, a municipality established a tax increment financing district in a county with a population in excess of 3,000,000 before January 1, 1986, and the municipality entered into a contract or issued bonds after January 1, 1986, but before December 31, 1986, to finance redevelopment project costs within a State Sales Tax Boundary, then the Net State Sales Tax Increment means, for the fiscal years beginning July 1, 1990, and July 1, 1991, 100% of the State Sales Tax Increment annually generated within a State Sales Tax Boundary; and notwithstanding any other provision of this Act, for those fiscal years the Department of Revenue shall distribute to those municipalities 100% of their Net State Sales Tax Increment before any distribution to any other municipality and regardless of whether or not those other municipalities will receive 100% of their Net State Sales Tax Increment. For Fiscal Year 1999, and every year thereafter until the year 2007, for any municipality that has not entered into a contract or has not issued bonds prior to June 1, 1988 to finance redevelopment project costs within a State Sales Tax Boundary, the Net State Sales Tax Increment shall be calculated as follows: By multiplying the Net State Sales Tax Increment by 90% in the State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for State Fiscal Year 2008 and thereafter.

Municipalities that issued bonds in connection with a redevelopment project in a redevelopment project area within the State Sales Tax Boundary prior to July 29, 1991, or that entered into contracts in connection with a redevelopment project in a redevelopment project area before June 1, 1988, shall continue to receive their proportional share of the Illinois Tax Increment Fund distribution until the date on which the redevelopment project is completed or terminated. If, however, a municipality that issued bonds in connection with a redevelopment project in a redevelopment project area within the State Sales Tax Boundary prior to July 29, 1991 retires the bonds prior to June 30, 2007 or a municipality that entered into contracts in connection with a redevelopment project in a redevelopment project area before June 1, 1988 completes the contracts prior to June 30, 2007, then so long as the redevelopment project is not completed or is not terminated, the Net State Sales Tax Increment shall be calculated, beginning on the date on which the bonds are retired or the contracts are completed, as follows: By multiplying the Net State Sales Tax Increment by 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment

shall be made for State Fiscal Year 2008 and thereafter. Refunding of any bonds issued prior to July 29, 1991, shall not alter the Net State Sales Tax Increment.

(j) "State Utility Tax Increment Amount" means an amount equal to the aggregate increase in State electric and gas tax charges imposed on owners and tenants, other than residential customers, of properties located within the redevelopment project area under Section 9-222 of the Public Utilities Act, over and above the aggregate of such charges as certified by the Department of Revenue and paid by owners and tenants, other than residential customers, of properties within the redevelopment project area during the base year, which shall be the calendar year immediately prior to the year of the adoption of the ordinance authorizing tax increment allocation financing.

(k) "Net State Utility Tax Increment" means the sum of the following: (a) 80% of the first $100,000 of State Utility Tax Increment annually generated by a redevelopment project area; (b) 60% of the amount in excess of $100,000 but not exceeding $500,000 of the State Utility Tax Increment annually generated by a redevelopment project area; and (c) 40% of all amounts in excess of $500,000 of State Utility Tax Increment annually generated by a redevelopment project area. For the State Fiscal Year 1999, and every year thereafter until the year 2007, for any municipality that has not entered into a contract or has not issued bonds prior to June 1, 1988 to finance redevelopment project costs within a redevelopment project area, the Net State Utility Tax Increment shall be calculated as follows: By multiplying the Net State Utility Tax Increment by 90% in the State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for the State Fiscal Year 2008 and thereafter.

Municipalities that issue bonds in connection with the redevelopment project during the period from June 1, 1988 until 3 years after the effective date of this Amendatory Act of 1988 shall receive the Net State Utility Tax Increment, subject to appropriation, for 15 State Fiscal Years after the issuance of such bonds. For the 16th through the 20th State Fiscal Years after issuance of the bonds, the Net State Utility Tax Increment shall be calculated as follows: By multiplying the Net State Utility Tax Increment by 90% in year 16; 80% in year 17; 70% in year 18; 60% in year 19; and 50% in year 20. Refunding of any bonds issued prior to June 1, 1988, shall not alter the revised Net State Utility Tax Increment payments set forth above.

(l) "Obligations" mean bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

(m) "Payment in lieu of taxes" means those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area.

(n) "Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area. On and after November 1, 1999 (the effective date of Public Act 91-478), no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for nature preserves and used for that purpose within 5 years prior to the adoption of the redevelopment plan. For the purpose of this subsection, "recreational activities" is limited to mean camping and hunting. Each redevelopment plan shall set forth in writing the program to be undertaken to accomplish the objectives and shall include but not be limited to:

(A) an itemized list of estimated redevelopment project costs;

(B) evidence indicating that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise;

(C) an assessment of any financial impact of the redevelopment project area on or any increased demand for services from any taxing district affected by the plan and any program to address such financial impact or increased demand;

(D) the sources of funds to pay costs;

(E) the nature and term of the obligations to be issued;

(F) the most recent equalized assessed valuation of the redevelopment project area;

(G) an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the redevelopment project area;

(H) a commitment to fair employment practices and an affirmative action plan;

(I) if it concerns an industrial park conservation area, the plan shall also include a general description of any proposed developer, user and tenant of any property, a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed; and

(J) if property is to be annexed to the municipality, the plan shall include the terms of the annexation agreement.

The provisions of items (B) and (C) of this subsection (n) shall not apply to a municipality that before March 14, 1994 (the effective date of Public Act 88-537) had fixed, either by its corporate authorities or by a commission designated under subsection (k) of Section 11-74.4-4, a time and place for a public hearing as required by subsection (a) of Section 11-74.4-5. No redevelopment plan shall be adopted unless a municipality complies with all of the following requirements:

(1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.

(2) The municipality finds that the redevelopment plan and

project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality.

(3) The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. Those dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted if the ordinance was adopted on or after January 15, 1981, and not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year after the year in which the ordinance approving the redevelopment project area is adopted:

(A) if the ordinance was adopted before January 15, 1981, or

(B) if the ordinance was adopted in December 1983, April 1984, July 1985, or December 1989, or

(C) if the ordinance was adopted in December 1987 and the redevelopment project is located within one mile of Midway Airport, or

(D) if the ordinance was adopted before January 1, 1987 by a municipality in Mason County, or

(E) if the municipality is subject to the Local Government Financial Planning and Supervision Act or the Financially Distressed City Law, or

(F) if the ordinance was adopted in December 1984 by the Village of Rosemont, or

(G) if the ordinance was adopted on December 31, 1986 by a municipality located in Clinton County for which at least $250,000 of tax increment bonds were authorized on June 17, 1997, or if the ordinance was adopted on December 31, 1986 by a municipality with a population in 1990 of less than 3,600 that is located in a county with a population in 1990 of less than 34,000 and for which at least $250,000 of tax increment bonds were authorized on June 17, 1997, or

(H) if the ordinance was adopted on October 5, 1982 by the City of Kankakee, or if the ordinance was adopted on December 29, 1986 by East St. Louis, or

(I) if the ordinance was adopted on November 12, 1991 by the Village of Sauget, or

(J) if the ordinance was adopted on February 11, 1985 by the City of Rock Island, or

(K) if the ordinance was adopted before December 18, 1986 by the City of Moline, or

(L) if the ordinance was adopted in September 1988 by Sauk Village, or

(M) if the ordinance was adopted in October 1993 by Sauk Village, or

(N) if the ordinance was adopted on December 29, 1986

by the City of Galva, or

(O) if the ordinance was adopted in March 1991 by the City of Centreville, or

(P) (L) if the ordinance was adopted on January 23, 1991 by the City of East St. Louis, or

(Q) if the ordinance was adopted on December 22, 1986 by the City of Aledo, or

(R) if the ordinance was adopted on February 5, 1990 by the City of Clinton, or

(S) if the ordinance was adopted on September 6, 1994 by the City of Freeport, or

(T) if the ordinance was adopted on December 22, 1986 by the City of Tuscola, or

(U) if the ordinance was adopted on December 23, 1986 by the City of Sparta, or

(V) if the ordinance was adopted on December 23, 1986 by the City of Beardstown, or

(W) if the ordinance was adopted on April 27, 1981, October 21, 1985, or December 30, 1986 by the City of Belleville.

However, for redevelopment project areas for which bonds were issued before July 29, 1991, or for which contracts were entered into before June 1, 1988, in connection with a redevelopment project in the area within the State Sales Tax Boundary, the estimated dates of completion of the redevelopment project and retirement of obligations to finance redevelopment project costs may be extended by municipal ordinance to December 31, 2013. The extension allowed by this amendatory Act of 1993 shall not apply to real property tax increment allocation financing under Section 11-74.4-8.

A municipality may by municipal ordinance amend an existing redevelopment plan to conform to this paragraph (3) as amended by Public Act 91-478, which municipal ordinance may be adopted without further hearing or notice and without complying with the procedures provided in this Act pertaining to an amendment to or the initial approval of a redevelopment plan and project and designation of a redevelopment project area.

Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 35 years for redevelopment project areas that were adopted on or after December 16, 1986 and for which at least $8 million worth of municipal bonds were authorized on or after December 19, 1989 but before January 1, 1990; provided that the municipality elects to extend the life of the redevelopment project area to 35 years by the adoption of an ordinance after at least 14 but not more than 30 days' written notice to the taxing bodies, that would otherwise constitute the joint review board for the redevelopment project area, before the adoption of the ordinance.

Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 35 years for redevelopment project areas that were established on or after December 1, 1981 but before January 1, 1982 and for which at least $1,500,000 worth of tax increment revenue bonds were authorized on or after September 30, 1990 but before July 1, 1991; provided that the municipality elects to extend the life of the redevelopment project area to 35 years by the adoption of an ordinance after at least 14 but not more than 30 days' written notice to the taxing bodies, that would otherwise constitute the joint review board for the redevelopment

project area, before the adoption of the ordinance.

(3.5) The municipality finds, in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area.

(4) If any incremental revenues are being utilized under Section 8(a)(1) or 8(a)(2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986, the municipality finds: (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area.

(5) ~~On and after November 1, 1999,~~ If the redevelopment plan will not result in displacement of ~~10 or more~~ residents from 10 or more inhabited residential units, and the municipality certifies in the plan that such displacement will not result from the plan, a housing impact study need not be performed. If, however, the redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and no certification is made, then the municipality shall prepare, as part of the separate feasibility report required by subsection (a) of Section 11-74.4-5, a housing impact study.

Part I of the housing impact study shall include (i) data as to whether the residential units are single family or multi-family units, (ii) the number and type of rooms within the units, if that information is available, (iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 is passed, and (iv) data as to the racial and ethnic composition of the residents in the inhabited residential units. The data requirement as to the racial and ethnic composition of the residents in the inhabited residential units shall be deemed to be fully satisfied by data from the most recent federal census.

Part II of the housing impact study shall identify the inhabited residential units in the proposed redevelopment project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify (i) the number and location of those units that will or may be removed, (ii) the municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed, (iii) the availability of replacement housing for those residents whose residences are to be removed, and shall identify the type, location, and cost of the housing, and (iv) the type and extent of relocation assistance to be provided.

(6) On and after November 1, 1999, the housing impact study required by paragraph (5) shall be incorporated in the redevelopment plan for the redevelopment project area.

(7) On and after November 1, 1999, no redevelopment plan shall be adopted, nor an existing plan amended, nor shall residential housing that is occupied by households of low-income and very low-income persons in currently existing redevelopment project areas be removed after November 1, 1999 unless the redevelopment plan provides, with respect to inhabited housing

units that are to be removed for households of low-income and very low-income persons, affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. For purposes of this paragraph (7), "low-income households", "very low-income households", and "affordable housing" have the meanings set forth in the Illinois Affordable Housing Act. The municipality shall make a good faith effort to ensure that this affordable housing is located in or near the redevelopment project area within the municipality.

(8) On and after November 1, 1999, if, after the adoption of the redevelopment plan for the redevelopment project area, any municipality desires to amend its redevelopment plan to remove more inhabited residential units than specified in its original redevelopment plan, that change shall be made in accordance with the procedures in subsection (c) of Section 11-74.4-5 ~~increase in the number of units to be removed shall be deemed to be a change in the nature of the redevelopment plan as to require compliance with the procedures in this Act pertaining to the initial approval of a redevelopment plan~~.

(9) For redevelopment project areas designated prior to November 1, 1999, the redevelopment plan may be amended without further joint review board meeting or hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested party registry, to authorize the municipality to expend tax increment revenues for redevelopment project costs defined by paragraphs (5) and (7.5), subparagraphs (E) and (F) of paragraph (11), and paragraph (11.5) of subsection (q) of Section 11-74.4-3, so long as the changes do not increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted.

(o) "Redevelopment project" means any public and private development project in furtherance of the objectives of a redevelopment plan. On and after November 1, 1999 (the effective date of Public Act 91-478), no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for nature preserves and used for that purpose within 5 years prior to the adoption of the redevelopment plan. For the purpose of this subsection, "recreational activities" is limited to mean camping and hunting.

(p) "Redevelopment project area" means an area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.

(q) "Redevelopment project costs" mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

(1) Costs of studies, surveys, development of plans, and

specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

(1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

(1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

(2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

(3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

(4) Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable

determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

(7.5) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than $5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimburseable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and

(iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds,

notes, or other funding instruments, or the terms of any redevelopment agreement.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

(8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);

(9) Payment in lieu of taxes;

(10) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

(A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

(B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

(C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project

plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and

(E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

(F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

(11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost

of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

(12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

(13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act.

(r) "State Sales Tax Boundary" means the redevelopment project area or the amended redevelopment project area boundaries which are determined pursuant to subsection (9) of Section 11-74.4-8a of this Act. The Department of Revenue shall certify pursuant to subsection (9) of Section 11-74.4-8a the appropriate boundaries eligible for the determination of State Sales Tax Increment.

(s) "State Sales Tax Increment" means an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen, other than retailers and servicemen subject to the Public Utilities Act, on transactions at places of business located within a State Sales Tax Boundary pursuant to the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, except such portion of such increase that is paid into the State and Local Sales Tax Reform Fund, the Local Government Distributive Fund, the Local Government Tax Fund and the County and Mass Transit District Fund, for as long as State participation exists, over and above the Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts for such taxes as certified by the Department of Revenue and paid under those Acts by retailers and servicemen on transactions at

places of business located within the State Sales Tax Boundary during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing, less 3.0% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be appropriated to the Department of Revenue to cover its costs of administering and enforcing this Section. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall compute the Initial Sales Tax Amount for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amount". For purposes of determining the State Sales Tax Increment the Department of Revenue shall for each period subtract from the tax amounts received from retailers and servicemen on transactions located in the State Sales Tax Boundary, the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax Amounts for the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act and the Service Occupation Tax Act. For the State Fiscal Year 1989 this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, until June 30, 1989, to determine the tax amounts received from retailers and servicemen, which shall have deducted therefrom nine-twelfths of the certified Initial State Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending on June 30, to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts. Municipalities intending to receive a distribution of State Sales Tax Increment must report a list of retailers to the Department of Revenue by October 31, 1988 and by July 31, of each year thereafter.

(t) "Taxing districts" means counties, townships, cities and incorporated towns and villages, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

(u) "Taxing districts' capital costs" means those costs of taxing districts for capital improvements that are found by the municipal corporate authorities to be necessary and directly result from the redevelopment project.

(v) As used in subsection (a) of Section 11-74.4-3 of this Act, "vacant land" means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller

tracts that were accepted for recording during the period from 1950 to 1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act. For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the proposed Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

(w) "Annual Total Increment" means the sum of each municipality's annual Net Sales Tax Increment and each municipality's annual Net Utility Tax Increment. The ratio of the Annual Total Increment of each municipality to the Annual Total Increment for all municipalities, as most recently calculated by the Department, shall determine the proportional shares of the Illinois Tax Increment Fund to be distributed to each municipality.

(Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff. 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; revised 9-19-01.)

(65 ILCS 5/11-74.4-4.1)

Sec. 11-74.4-4.1. Feasibility study.

(a) If a municipality by its corporate authorities, or as it may determine by any commission designated under subsection (k) of Section 11-74.4-4, adopts an ordinance or resolution providing for a feasibility study on the designation of an area as a redevelopment project area, a copy of the ordinance or resolution shall immediately be sent to all taxing districts that would be affected by the designation.

On and after the effective date of this amendatory Act of the 91st General Assembly, the ordinance or resolution shall include:

(1) The boundaries of the area to be studied for possible designation as a redevelopment project area.

(2) The purpose or purposes of the proposed redevelopment plan and project.

(3) A general description of tax increment allocation financing under this Act.

(4) The name, phone number, and address of the municipal officer who can be contacted for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area to be studied.

(b) If one of the purposes of the planned redevelopment project area should reasonably be expected to result in the displacement of residents from 10 or more inhabited residential units, the municipality shall adopt a resolution or ordinance providing for the feasibility study described in subsection (a). The ordinance or resolution shall also require that the feasibility study include the preparation of the housing impact study set forth in paragraph (5) of subsection (n) of Section 11-74.4-3. If the redevelopment plan will not result in displacement of ~~10 or more~~ residents from <u>10 or more</u> inhabited <u>residential</u> units, and the municipality certifies in the plan that such displacement will not result from the plan, then a resolution or ordinance need not be adopted.

(Source: P.A. 91-478, eff. 11-1-99; 92-263, eff. 8-7-01.)

(65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)

Sec. 11-74.4-5. (a) The changes made by this amendatory Act of the 91st General Assembly do not apply to a municipality that, (i) before the effective date of this amendatory Act of the 91st General Assembly, has adopted an ordinance or resolution fixing a time and place for a public hearing under this Section or (ii) before July 1, 1999, has adopted an ordinance or resolution providing for a feasibility study under Section 11-74.4-4.1, but has not yet adopted an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under Section 11-74.4-4, until after that municipality adopts an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under Section 11-74.4-4; thereafter the changes made by this amendatory Act of the 91st General Assembly apply to the same extent that they apply to redevelopment plans and redevelopment projects that were approved and redevelopment projects that were designated before the effective date of this amendatory Act of the 91st General Assembly.

Prior to the adoption of an ordinance proposing the designation of a redevelopment project area, or approving a redevelopment plan or redevelopment project, the municipality by its corporate authorities, or as it may determine by any commission designated under subsection (k) of Section 11-74.4-4 shall adopt an ordinance or resolution fixing a time and place for public hearing. At least 10 days prior to the adoption of the ordinance or resolution establishing the time and place for the public hearing, the municipality shall make available for public inspection a redevelopment plan or a separate report that provides in reasonable detail the basis for the eligibility of the redevelopment project area. The report along with the name of a person to contact for further information shall be sent within a reasonable time after the adoption of such ordinance or resolution to the affected taxing districts by certified mail. On and after the effective date of this amendatory Act of the 91st General Assembly, the municipality shall print in a newspaper of general circulation within the municipality a notice that interested persons may register with the municipality in order to receive information on the proposed designation of a redevelopment project area or the approval of a redevelopment plan. The notice shall state the place of registration and the operating hours of that place. The municipality shall have adopted reasonable rules to implement this registration process under Section 11-74.4-4.2. The municipality shall provide notice of the availability of the redevelopment plan and eligibility report, including how to obtain this information, by mail within a reasonable time after the adoption of the ordinance or resolution, to all residential addresses that, after a good faith effort, the municipality determines are located <u>outside the proposed redevelopment project area and</u> within 750 feet of the boundaries of the proposed redevelopment project area. This requirement is subject to the limitation that in a municipality with a population of over 100,000, if the total number of residential addresses <u>outside the proposed redevelopment project area and</u> within 750 feet of the boundaries of the proposed redevelopment project area exceeds 750, the municipality shall be required to provide the notice to only the 750 residential addresses that, after a good faith effort, the municipality determines are <u>outside the proposed redevelopment project area and</u> closest to the boundaries of the proposed redevelopment project area. <u>Notwithstanding the foregoing, notice given after August 7, 2001 (the effective date of Public Act 92-263) and before the effective date of this amendatory Act of the 92nd General Assembly to residential addresses within 750 feet of the</u>

boundaries of a proposed redevelopment project area shall be deemed to have been sufficiently given in compliance with this Act if given only to residents outside the boundaries of the proposed redevelopment project area. The notice shall also be provided by the municipality, regardless of its population, to those organizations and residents that have registered with the municipality for that information in accordance with the registration guidelines established by the municipality under Section 11-74.4-4.2.

At the public hearing any interested person or affected taxing district may file with the municipal clerk written objections to and may be heard orally in respect to any issues embodied in the notice. The municipality shall hear all protests and objections at the hearing and the hearing may be adjourned to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. At the public hearing or at any time prior to the adoption by the municipality of an ordinance approving a redevelopment plan, the municipality may make changes in the redevelopment plan. Changes which (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of or extend the life of the redevelopment project, or (4) increase the number of inhabited residential units ~~low-or-very-low-income-households~~ to be displaced from the redevelopment project area, as ~~provided--that~~ measured from the time of creation of the redevelopment project area, to a ~~the~~ total of more than ~~displacement-of-the-households-will~~ ~~exceed~~ 10, shall be made only after the municipality gives notice, convenes a joint review board, and conducts a public hearing pursuant to the procedures set forth in this Section and in Section 11-74.4-6 of this Act. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of or extend the life of the redevelopment project, or (4) increase the number of inhabited residential units ~~low-or-very-low-income-households~~ to be displaced from the redevelopment project area, as ~~provided--that~~ measured from the time of creation of the redevelopment project area, to a ~~the~~ total of more than ~~displacement-of-the-households-will~~ ~~exceed~~ 10, may be made without further hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes. Hearings with regard to a redevelopment project area, project or plan may be held simultaneously.

(b) Prior to holding a public hearing to approve or amend a redevelopment plan or to designate or add additional parcels of property to a redevelopment project area, the municipality shall convene a joint review board. The board shall consist of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district, and county that will have the authority to directly levy taxes on the property within the proposed redevelopment project area at the time that the proposed redevelopment project area is approved, a representative selected by the municipality and a public member. The public member shall first be selected and then the board's chairperson shall be selected by a

majority of the board members present and voting.

For redevelopment project areas with redevelopment plans or proposed redevelopment plans that would result in the displacement of residents from 10 or more inhabited residential units or that include 75 or more inhabited residential units, the public member shall be a person who resides in the redevelopment project area. If, as determined by the housing impact study provided for in paragraph (5) of subsection (n) of Section 11-74.4-3, or if no housing impact study is required then based on other reasonable data, the majority of residential units are occupied by very low, low, or moderate income households, as defined in Section 3 of the Illinois Affordable Housing Act, the public member shall be a person who resides in very low, low, or moderate income housing within the redevelopment project area. Municipalities with fewer than 15,000 residents shall not be required to select a person who lives in very low, low, or moderate income housing within the redevelopment project area, provided that the redevelopment plan or project will not result in displacement of residents from 10 or more inhabited units, and the municipality so certifies in the plan. If no person satisfying these requirements is available or if no qualified person will serve as the public member, then the joint review board is relieved of this paragraph's selection requirements for the public member.

Within 90 days of the effective date of this amendatory Act of the 91st General Assembly, each municipality that designated a redevelopment project area for which it was not required to convene a joint review board under this Section shall convene a joint review board to perform the duties specified under paragraph (e) of this Section.

All board members shall be appointed and the first board meeting shall be held at least 14 days but not more than 28 days after the mailing of notice by the municipality to the taxing districts as required by Section 11-74.4-6(c). Notwithstanding the preceding sentence, a municipality that adopted either a public hearing resolution or a feasibility resolution between July 1, 1999 and July 1, 2000 that called for the meeting of the joint review board within 14 days of notice of public hearing to affected taxing districts is deemed to be in compliance with the notice, meeting, and public hearing provisions of the Act. Such notice shall also advise the taxing bodies represented on the joint review board of the time and place of the first meeting of the board. Additional meetings of the board shall be held upon the call of any member. The municipality seeking designation of the redevelopment project area shall provide administrative support to the board.

The board shall review (i) the public record, planning documents and proposed ordinances approving the redevelopment plan and project and (ii) proposed amendments to the redevelopment plan or additions of parcels of property to the redevelopment project area to be adopted by the municipality. As part of its deliberations, the board may hold additional hearings on the proposal. A board's recommendation shall be an advisory, non-binding recommendation. The recommendation shall be adopted by a majority of those members present and voting. The recommendations shall be submitted to the municipality within 30 days after convening of the board. Failure of the board to submit its report on a timely basis shall not be cause to delay the public hearing or any other step in the process of designating or amending the redevelopment project area but shall be deemed to constitute approval by the joint review board of the matters before it.

The board shall base its recommendation to approve or disapprove the redevelopment plan and the designation of the redevelopment

project area or the amendment of the redevelopment plan or addition of parcels of property to the redevelopment project area on the basis of the redevelopment project area and redevelopment plan satisfying the plan requirements, the eligibility criteria defined in Section 11-74.4-3, and the objectives of this Act.

The board shall issue a written report describing why the redevelopment plan and project area or the amendment thereof meets or fails to meet one or more of the objectives of this Act and both the plan requirements and the eligibility criteria defined in Section 11-74.4-3. In the event the Board does not file a report it shall be presumed that these taxing bodies find the redevelopment project area and redevelopment plan satisfy the objectives of this Act and the plan requirements and eligibility criteria.

If the board recommends rejection of the matters before it, the municipality will have 30 days within which to resubmit the plan or amendment. During this period, the municipality will meet and confer with the board and attempt to resolve those issues set forth in the board's written report that led to the rejection of the plan or amendment.

Notwithstanding the resubmission set forth above, the municipality may commence the scheduled public hearing and either adjourn the public hearing or continue the public hearing until a date certain. Prior to continuing any public hearing to a date certain, the municipality shall announce during the public hearing the time, date, and location for the reconvening of the public hearing. Any changes to the redevelopment plan necessary to satisfy the issues set forth in the joint review board report shall be the subject of a public hearing before the hearing is adjourned if the changes would (1) substantially affect the general land uses proposed in the redevelopment plan, (2) substantially change the nature of or extend the life of the redevelopment project, or (3) increase the number of inhabited residential units ~~low-or-very-low-income households~~ to be displaced from the redevelopment project area, as ~~provided-that~~ measured from the time of creation of the redevelopment project area, to a ~~the~~ total of more than ~~displacement-of-the households-will-exceed~~ 10. Changes to the redevelopment plan necessary to satisfy the issues set forth in the joint review board report shall not require any further notice or convening of a joint review board meeting, except that any changes to the redevelopment plan that would add additional parcels of property to the proposed redevelopment project area shall be subject to the notice, public hearing, and joint review board meeting requirements established for such changes by subsection (a) of Section 11-74.4-5.

In the event that the municipality and the board are unable to resolve these differences, or in the event that the resubmitted plan or amendment is rejected by the board, the municipality may proceed with the plan or amendment, but only upon a three-fifths vote of the corporate authority responsible for approval of the plan or amendment, excluding positions of members that are vacant and those members that are ineligible to vote because of conflicts of interest.

(c) After a municipality has by ordinance approved a redevelopment plan and designated a redevelopment project area, the plan may be amended and additional properties may be added to the redevelopment project area only as herein provided. Amendments which (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, (5) add

additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of inhabited residential units ~~low-or-very-low income-households~~ to be displaced from the redevelopment project area, as ~~provided--that~~ measured from the time of creation of the redevelopment project area, to a ~~the~~ total of more than ~~displacement of--the--households--will--exceed~~ 10, shall be made only after the municipality gives notice, convenes a joint review board, and conducts a public hearing pursuant to the procedures set forth in this Section and in Section 11-74.4-6 of this Act. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of inhabited residential units ~~low-or-very-low-income-households~~ to be displaced from the redevelopment project area, as ~~provided-that~~ measured from the time of creation of the redevelopment project area, to a ~~the~~ total of more than ~~displacement-of-the-households-will-exceed~~ 10, may be made without further public hearing and related notices and procedures including the convening of a joint review board as set forth in Section 11-74.4-6 of this Act, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

(d) After the effective date of this amendatory Act of the 91st General Assembly, a municipality shall submit the following information for each redevelopment project area (i) to the State Comptroller under Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all taxing districts overlapping the redevelopment project area no later than 180 days after the close of each municipal fiscal year or as soon thereafter as the audited financial statements become available and, in any case, shall be submitted before the annual meeting of the Joint Review Board to each of the taxing districts that overlap the redevelopment project area:

(1) Any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary.

(1.5) A list of the redevelopment project areas administered by the municipality and, if applicable, the date each redevelopment project area was designated or terminated by the municipality.

(2) Audited financial statements of the special tax allocation fund once a cumulative total of $100,000 has been deposited in the fund.

(3) Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of this Act during the preceding fiscal year.

(4) An opinion of legal counsel that the municipality is in compliance with this Act.

(5) An analysis of the special tax allocation fund which sets forth:

(A) the balance in the special tax allocation fund at

the beginning of the fiscal year;

(B) all amounts deposited in the special tax allocation fund by source;

(C) an itemized list of all expenditures from the special tax allocation fund by category of permissible redevelopment project cost; and

(D) the balance in the special tax allocation fund at the end of the fiscal year including a breakdown of that balance by source and a breakdown of that balance identifying any portion of the balance that is required, pledged, earmarked, or otherwise designated for payment of or securing of obligations and anticipated redevelopment project costs. Any portion of such ending balance that has not been identified or is not identified as being required, pledged, earmarked, or otherwise designated for payment of or securing of obligations or anticipated redevelopment projects costs shall be designated as surplus as set forth in Section 11-74.4-7 hereof.

(6) A description of all property purchased by the municipality within the redevelopment project area including:

(A) Street address.

(B) Approximate size or description of property.

(C) Purchase price.

(D) Seller of property.

(7) A statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including:

(A) Any project implemented in the preceding fiscal year.

(B) A description of the redevelopment activities undertaken.

(C) A description of any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary.

(D) Additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan.

(E) Information regarding contracts that the municipality's tax increment advisors or consultants have entered into with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the same redevelopment project area.

(F) Any reports submitted to the municipality by the joint review board.

(G) A review of public and, to the extent possible, private investment actually undertaken to date after the effective date of this amendatory Act of the 91st General Assembly and estimated to be undertaken during the following year. This review shall, on a project-by-project basis, set forth the estimated amounts of public and private investment incurred after the effective date of this amendatory Act of the 91st General Assembly and provide the ratio of private investment to public investment to the date of the report and as estimated to the completion of the redevelopment project.

(8) With regard to any obligations issued by the municipality:

(A) copies of any official statements; and

(B) an analysis prepared by financial advisor or underwriter setting forth: (i) nature and term of obligation; and (ii) projected debt service including required reserves and debt coverage.

(9) For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of $100,000 or more, a certified audit report reviewing compliance with this Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. The financial portion of the audit must be conducted in accordance with Standards for Audits of Governmental Organizations, Programs, Activities, and Functions adopted by the Comptroller General of the United States (1981), as amended, or the standards specified by Section 8-8-5 of the Illinois Municipal Auditing Law of the Illinois Municipal Code. The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3. For redevelopment plans or projects that would result in the displacement of residents from 10 or more inhabited residential units or that contain 75 or more inhabited residential units, notice of the availability of the information, including how to obtain the report, required in this subsection shall also be sent by mail to all residents or organizations that operate in the municipality that register with the municipality for that information according to registration procedures adopted under Section 11-74.4-4.2. All municipalities are subject to this provision.

(d-1) Prior to the effective date of this amendatory Act of the 91st General Assembly, municipalities with populations of over 1,000,000 shall, after adoption of a redevelopment plan or project, make available upon request to any taxing district in which the redevelopment project area is located the following information:

(1) Any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary; and

(2) In connection with any redevelopment project area for which the municipality has outstanding obligations issued to provide for redevelopment project costs pursuant to Section 11-74.4-7, audited financial statements of the special tax allocation fund.

(e) The joint review board shall meet annually 180 days after the close of the municipal fiscal year or as soon as the redevelopment project audit for that fiscal year becomes available to review the effectiveness and status of the redevelopment project area up to that date.

(f) (Blank).

(g) In the event that a municipality has held a public hearing under this Section prior to March 14, 1994 (the effective date of Public Act 88-537), the requirements imposed by Public Act 88-537 relating to the method of fixing the time and place for public hearing, the materials and information required to be made available for public inspection, and the information required to be sent after adoption of an ordinance or resolution fixing a time and place for public hearing shall not be applicable.

(Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99; 91-900, eff. 7-6-00; 92-263, eff. 8-7-01.)

(65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

Sec. 11-74.4-7. Obligations secured by the special tax allocation fund set forth in Section 11-74.4-8 for the redevelopment project area may be issued to provide for redevelopment project

costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance authorizing the issuance of such obligations by the receipts of taxes levied as specified in Section 11-74.4-9 against the taxable property included in the area, by revenues as specified by Section 11-74.4-8a and other revenue designated by the municipality. A municipality may in the ordinance pledge all or any part of the funds in and to be deposited in the special tax allocation fund created pursuant to Section 11-74.4-8 to the payment of the redevelopment project costs and obligations. Any pledge of funds in the special tax allocation fund shall provide for distribution to the taxing districts and to the Illinois Department of Revenue of moneys not required, pledged, earmarked, or otherwise designated for payment and securing of the obligations and anticipated redevelopment project costs and such excess funds shall be calculated annually and deemed to be "surplus" funds. In the event a municipality only applies or pledges a portion of the funds in the special tax allocation fund for the payment or securing of anticipated redevelopment project costs or of obligations, any such funds remaining in the special tax allocation fund after complying with the requirements of the application or pledge, shall also be calculated annually and deemed "surplus" funds. All surplus funds in the special tax allocation fund shall be distributed annually within 180 days after the close of the municipality's fiscal year by being paid by the municipal treasurer to the County Collector, to the Department of Revenue and to the municipality in direct proportion to the tax incremental revenue received as a result of an increase in the equalized assessed value of property in the redevelopment project area, tax incremental revenue received from the State and tax incremental revenue received from the municipality, but not to exceed as to each such source the total incremental revenue received from that source. The County Collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

Without limiting the foregoing in this Section, the municipality may in addition to obligations secured by the special tax allocation fund pledge for a period not greater than the term of the obligations towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Such obligations may be issued in one or more series bearing interest at such rate or rates as the corporate authorities of the municipality shall determine by ordinance. Such obligations shall bear such date or dates, mature at such time or times not exceeding 20 years from their respective dates, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms and conditions, and be subject to redemption as such ordinance shall provide. Obligations issued pursuant to this Act may be sold at public or private sale at such price as shall be determined by the corporate authorities of the municipalities. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to this Division except as provided in this Section.

In the event the municipality authorizes issuance of obligations

pursuant to the authority of this Division secured by the full faith and credit of the municipality, which obligations are other than obligations which may be issued under home rule powers provided by Article VII, Section 6 of the Illinois Constitution, or pledges taxes pursuant to (b) or (c) of the second paragraph of this section, the ordinance authorizing the issuance of such obligations or pledging such taxes shall be published within 10 days after such ordinance has been passed in one or more newspapers, with general circulation within such municipality. The publication of the ordinance shall be accompanied by a notice of (1) the specific number of voters required to sign a petition requesting the question of the issuance of such obligations or pledging taxes to be submitted to the electors; (2) the time in which such petition must be filed; and (3) the date of the prospective referendum. The municipal clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the municipal clerk, as hereinafter provided in this Section, within 30 days after the publication of the ordinance, the ordinance shall be in effect. But, if within that 30 day period a petition is filed with the municipal clerk, signed by electors in the municipality numbering 10% or more of the number of registered voters in the municipality, asking that the question of issuing obligations using full faith and credit of the municipality as security for the cost of paying for redevelopment project costs, or of pledging taxes for the payment of such obligations, or both, be submitted to the electors of the municipality, the corporate authorities of the municipality shall call a special election in the manner provided by law to vote upon that question, or, if a general, State or municipal election is to be held within a period of not less than 30 or more than 90 days from the date such petition is filed, shall submit the question at the next general, State or municipal election. If it appears upon the canvass of the election by the corporate authorities that a majority of electors voting upon the question voted in favor thereof, the ordinance shall be in effect, but if a majority of the electors voting upon the question are not in favor thereof, the ordinance shall not take effect.

The ordinance authorizing the obligations may provide that the obligations shall contain a recital that they are issued pursuant to this Division, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

In the event the municipality authorizes issuance of obligations pursuant to this Section secured by the full faith and credit of the municipality, the ordinance authorizing the obligations may provide for the levy and collection of a direct annual tax upon all taxable property within the municipality sufficient to pay the principal thereof and interest thereon as it matures, which levy may be in addition to and exclusive of the maximum of all other taxes authorized to be levied by the municipality, which levy, however, shall be abated to the extent that monies from other sources are available for payment of the obligations and the municipality certifies the amount of said monies available to the county clerk.

A certified copy of such ordinance shall be filed with the county clerk of each county in which any portion of the municipality is situated, and shall constitute the authority for the extension and collection of the taxes to be deposited in the special tax allocation fund.

A municipality may also issue its obligations to refund in whole or in part, obligations theretofore issued by such municipality under the authority of this Act, whether at or prior to maturity, provided however, that the last maturity of the refunding obligations shall not be expressed to mature later than December 31 of the year in

which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted if the ordinance was adopted on or after January 15, 1981, and not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year after the year in which the ordinance approving the redevelopment project area is adopted (A) if the ordinance was adopted before January 15, 1981, or (B) if the ordinance was adopted in December 1983, April 1984, July 1985, or December 1989, or (C) if the ordinance was adopted in December, 1987 and the redevelopment project is located within one mile of Midway Airport, or (D) if the ordinance was adopted before January 1, 1987 by a municipality in Mason County, or (E) if the municipality is subject to the Local Government Financial Planning and Supervision Act or the Financially Distressed City Law, or (F) if the ordinance was adopted in December 1984 by the Village of Rosemont, or (G) if the ordinance was adopted on December 31, 1986 by a municipality located in Clinton County for which at least $250,000 of tax increment bonds were authorized on June 17, 1997, or if the ordinance was adopted on December 31, 1986 by a municipality with a population in 1990 of less than 3,600 that is located in a county with a population in 1990 of less than 34,000 and for which at least $250,000 of tax increment bonds were authorized on June 17, 1997, or (H) if the ordinance was adopted on October 5, 1982 by the City of Kankakee, or (I) if the ordinance was adopted on December 29, 1986 by East St. Louis, or if the ordinance was adopted on November 12, 1991 by the Village of Sauget, or (J) if the ordinance was adopted on February 11, 1985 by the City of Rock Island, or (K) if the ordinance was adopted before December 18, 1986 by the City of Moline, or (L) if the ordinance was adopted in September 1988 by Sauk Village, or (M) if the ordinance was adopted in October 1993 by Sauk Village, or (N) if the ordinance was adopted on December 29, 1986 by the City of Galva, or (O) if the ordinance was adopted in March 1991 by the City of Centreville, or (P) ~~(L)~~ if the ordinance was adopted on January 23, 1991 by the City of East St. Louis, or (Q) if the ordinance was adopted on December 22, 1986 by the City of Aledo, or (R) if the ordinance was adopted on February 5, 1990 by the City of Clinton, or (S) if the ordinance was adopted on September 6, 1994 by the City of Freeport, or (T) if the ordinance was adopted on December 22, 1986 by the City of Tuscola, or (U) if the ordinance was adopted on December 23, 1986 by the City of Sparta, or (V) if the ordinance was adopted on December 23, 1986 by the City of Beardstown, or (W) if the ordinance was adopted on April 27, 1981, October 21, 1985, or December 30, 1986 by the City of Belleville and, for redevelopment project areas for which bonds were issued before July 29, 1991, in connection with a redevelopment project in the area within the State Sales Tax Boundary and which were extended by municipal ordinance under subsection (n) of Section 11-74.4-3, the last maturity of the refunding obligations shall not be expressed to mature later than the date on which the redevelopment project area is terminated or December 31, 2013, whichever date occurs first.

In the event a municipality issues obligations under home rule powers or other legislative authority the proceeds of which are pledged to pay for redevelopment project costs, the municipality may, if it has followed the procedures in conformance with this division, retire said obligations from funds in the special tax allocation fund in amounts and in such manner as if such obligations had been issued

pursuant to the provisions of this division.

All obligations heretofore or hereafter issued pursuant to this Act shall not be regarded as indebtedness of the municipality issuing such obligations or any other taxing district for the purpose of any limitation imposed by law.

(Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff. 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; revised 10-10-01.)

Section 99. Effective date. This Act takes effect upon becoming law.".

AMENDMENT NO. 2 TO SENATE BILL 1650

AMENDMENT NO. 2. Amend Senate Bill 1650, AS AMENDED, by replacing everything after the enacting clause with the following:

"ARTICLE 5

Section 5-1. Short title. This Article may be cited as the Municipal Validation Law of 2002.

Section 5-5. Redevelopment actions; validation. All actions taken before the effective date of this Law by any municipality pursuant to the Tax Increment Allocation Redevelopment Act for purposes of approving a redevelopment plan and redevelopment project, designating a redevelopment project area, and adopting tax increment allocation financing are validated, ratified, and confirmed as valid actions in full force and effect as of the date of adoption of the ordinance of the municipality approving the redevelopment plan and project, notwithstanding that an ordinance designating the redevelopment project area was not adopted on that date and an ordinance adopting tax increment allocation financing was not adopted on that date, provided that, no later than 180 days after the effective date of this Law, the governing body of the municipality adopts an ordinance designating the redevelopment project area and an ordinance adopting tax increment allocation financing for the redevelopment project area.

Section 5-10. Election validation. All actions taken before the effective date of this Law with respect to a public question authorizing the issuance of general obligation bonds of a municipality that was submitted to and approved by the electors of that municipality at the general primary election held on March 19, 2002 and all bonds issued or to be issued by that municipality pursuant to that approval are ratified, validated, and confirmed as lawful actions to authorize the issuance of those bonds and any such bonds shall be lawful, valid, and binding general obligations of that municipality, notwithstanding that the notice of election and the form of public question approved by the electors at that election did not conform to the requirements of applicable law, provided that the notice of election and the public question did set forth the principal amount of the bonds and the capital improvements to be financed by the bonds and that no bond issued by virtue of the approval of the public question shall bear interest at a rate exceeding 7% per annum.

ARTICLE 99

Section 99-99. Effective date. This Act takes effect upon becoming law.".

AMENDMENT NO. 4 TO SENATE BILL 1650

AMENDMENT NO. 4. Amend Senate Bill 1650, AS AMENDED, immediately before Article 99, by inserting the following:

"ARTICLE 10

Section 10-1. Short title. This Article may be cited as the Maywood Public Library District Tax Levy Validation (2002) Law.

Section 10-5. Tax levy ordinances of the Maywood Public Library District. If the Maywood Public Library District has, during the fiscal years 2001 and 2002, within the time required by law adopted annual appropriation ordinances for those years but failed to adopt its annual tax levy ordinance for the tax year 2001 (collectible in 2002), but adopts its 2001 tax levy or a supplemental or deficiency 2001 tax levy, or both, by the last Tuesday of December 2002, and duly files the same with the county clerk of the county in which the district is located, then any such tax levy ordinances and supplemental or deficiency tax levy ordinance and the taxes assessed, levied, and extended thereon are hereby validated notwithstanding any failure to comply with the Truth in Taxation Law or the Cook County Truth in Taxation Law and further notwithstanding any failure to comply with the provisions of the Property Tax Extension Limitation Law or any other law. No 2001 tax levy or supplemental or deficiency levy, however, is validated to the extent it would have exceeded the maximum amount the district could have levied under the Property Tax Extension Limitation Law if the tax levy ordinance or supplemental or deficiency levy ordinance had been adopted and filed in due time in calendar year 2001. Any such tax levy or supplemental or deficiency levy shall be extended by the county clerk of the county in which the public library district is located by adding the amount of the 2001 tax levy or supplemental or deficiency levy to the district's validly enacted 2002 tax levy, regardless of whether that 2001 tax levy is in the form of a customary annual tax levy or in the form of a supplemental or deficiency tax levy. Moreover, if the district has received any tax revenue for the calendar year 2001 intended for the payment of principal and interest on outstanding bonds of the district and the district has used any portion or all of that tax revenue for normal operating expenses, that use of those funds is hereby validated if the district issues either tax anticipation warrants or notes to provide funds sufficient to replace that bond revenue used for operating expenses prior to default on any bond payments; further, the use of the proceeds of the issuance of those notes or warrants to make the bond payments when due is further hereby validated.

Section 10-905. The Property Tax Code is amended by adding Sections 18-92, 18-101.47, and 18-197 as follows:

(35 ILCS 200/18-92 new)

Sec. 92. Maywood Public Library District Tax Levy Validation (2002) Law. The provisions of the Truth in Taxation Law are subject to the Maywood Public Library District Tax Levy Validation (2002) Law.

(35 ILCS 200/18-101.47 new)

Sec. 18-101.47. Maywood Public Library District Tax Levy (2002) Validation Law. The provisions of the Cook County Truth in Taxation Law are subject to the Maywood Public Library District Tax Levy Validation (2002) Law.

(35 ILCS 200/18-197 new)

Sec. 18-197. Maywood Public Library District Tax Levy (2002) Validation Law. The provisions of the Property Tax Extension Limitation Law are subject to the Maywood Public Library District Tax Levy Validation (2002) Law.".

Under the rules, the foregoing **Senate Bill No. 1650**, with House Amendments numbered 1, 2 and 4, was referred to the Secretary's Desk.

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the

House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2390

A bill for AN ACT regarding appropriations.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2390

House Amendment No. 2 to SENATE BILL NO. 2390

Passed the House, as amended, December 5, 2002.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2390

AMENDMENT NO. 1. Amend Senate Bill 2390, by replacing everything after the enacting clause with the following:

"Section 5. The amount of $1, or so much of that amount as may be necessary, is appropriated from the General Revenue Fund to the State Board of Education for its ordinary and contingent expenses.

Section 99. Effective date. This Act takes effect upon becoming law.".

AMENDMENT NO. 2 TO SENATE BILL 2390

AMENDMENT NO. 2. Amend Senate Bill 2390, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. "An Act regarding appropriations", Public Act 92-538, approved June 10, 2002, is amended by adding Section 24 to Article 1 and by changing Section 25 of Article 1 as follows:

(P.A. 92-538, Article 1, Section 24 new)

Sec. 24. The amount of $4,528,000, or so much of that amount as may be necessary, is appropriated from the General Revenue Fund to the State Board of Education for deposit into the School District Emergency Financial Assistance Fund.

(P.A. 92-538, Article 1, Section 25)

Sec. 25. The following amounts, or so much of those amounts as may be necessary, respectively, for the objects and purposes named, are appropriated to the Illinois State Board of Education for Grants-In-Aid and loans:

From the General Revenue Fund:

For orphanage tuition claims and State owned housing claims as provided under Section 18-3 of the School Code.....	$13,988,200
For financial assistance to Local Education Agencies for the Philip J. Rock Center and School as provided by Section 14-11.02 of the School Code	2,855,500
For financial assistance to Local Education Agencies for the purpose of maintaining an educational materials coordinating unit as provided for by Section 14-11.01 of the School Code.....	1,121,000
For Reimbursement to School Districts for Services and Materials for Programs Under Section 14A-5 of the School Code.....	19,000,600

For tuition of disabled children attending schools under Section 14-7.02 of the School Code.....	47,134,400
For reimbursement to school districts for extraordinary special education and facilities under Section 14-7.02a of the School Code.....	225,712,000
For reimbursement to school districts for services and materials used in programs for disabled children under Section 14-13.01 of the School Code.....	303,506,900
For reimbursement on a current basis only to school districts that provide for education of handicapped orphans from residential institutions as well as foster children who are mentally impaired or behaviorally disordered as provided under Section 14-7.03 of the School Code.....	104,763,200
For Financial Assistance to Local Education Agencies with over 500,000 Population to Meet the Needs of those Children who come from Environments where the Dominant Language is other than English under Section 34-18.2 of the School Code.....	33,792,800
For Financial Assistance to Local Education Agencies with under 500,000 Population to meet the Needs of those Children who come from Environments where the Dominant Language is other than English under Section 10-22.38a of the School Code.....	26,551,500
For reimbursement to school districts qualifying under Section 29-5 of the School Code for a portion of the cost of transporting common school pupils.....	219,908,500
For reimbursement to school districts for a portion of the cost of transporting disabled students under subsection (b) of Section 14-13.01 of the School Code.....	218,097,000
For reimbursement to school districts for providing free lunch and breakfast programs under the provision of the School Breakfast and Lunch Program Act.....	20,741,200
For the Tax-equivalent Grants pursuant to Section 18-4.4 of the School Code	222,600
For the Block Grants to School Districts for School Safety and Educational Improvement Programs Pursuant to Section 2-3.51.5 of the School Code.....	67,529,400
For Grants Associated with the School Breakfast Incentive Program.....	723,500
For grants for Reading for blind and dyslexic persons for programs and services in support of	

Illinois citizens with visual and reading impairments	168,800
For Grants to the Local Education Agencies to Conduct Agricultural Education Programs	1,881,200
For grants associated with the Illinois Economic Education program	144,700
For a grant to the Illinois Learning Partnership program	385,900
For the Association of Illinois Middle-Level Schools Program	72,400
For Metro East Consortium for Child Advocacy	217,100
For the Regional Offices of Education, including, but not limited to, ROE School Bus Driver Training, ROE School Services, and ROE Supervisory Expense	12,070,400
For the Transition of Minority Students	578,800
For the Golden Apple/Illinois Scholars Program	2,914,300
For Teachers' Academy for Math and Science	5,307,700
For Supplementary Payments (General State Aid - Hold Harmless) to School Districts under Subsection (J) of Section 18-8.05 of the School Code	65,700,000
For summer school payments as provided by Section 18-4.3 of the School Code	5,830,400
For costs associated with Teach for America	450,000
For all costs associated with the supplementary payments to school districts as provided in Section 18-8.2, Section 18-8.3, Section 18-8.5, and Section 18-8.05(I) of the School Code	1,669,400
For all costs associated with a Universal preschool program	5,220,000
From the Common School Fund:	
For compensation of Regional Superintendents of Schools and Assistants under Section 18-5 of the School Code	7,850,000
For payment of one-time employer's contribution to Teachers' Retirement system as provided in the Early Retirement Option under Section 16-133.2 of the Illinois Pension Code, including prior year claims	300,000
For general apportionment (General State Aid) as provided by Section 18-8.05 of the School Code	2,635,300,000
From the School District Emergency Financial Assistance Fund:	
For emergency financial assistance pursuant to Sections 1B-8 and 1F-62 of the School Code	$5,333,000
For the following purposes:	
For a loan to the Hazel Crest School	

District No. 152 1/2 School Finance Authority.....	$4,528,000
For school district emergency financial assistance.....	$805,000
~~For emergency financial assistance pursuant to Section 1B-8 of the School Code.....~~	~~805,000~~
From the Education Assistance Fund:	
For general apportionment (General State Aid) as provided by Section 18-8.05 of the School Code	485,000,000
From the School Technology Revolving Fund:	
For the Statewide Educational Network.....	500,000
From the Temporary Relocation Expenses Revolving Grant Fund:	
For temporary relocation expenses as provided in Section 2-3.77 of the School Code.....	1,130,000
From the State Board of Education Fund:	
For expenses as provided in Section 2-3.126 of the School Code.....	800,000
From the State Board of Education Special Purpose Trust Fund:	
For expenses as provided in Section 2-3.127 of the School Code.....	700,000

In addition to the amount appropriated in Section 25 of this Act, the sum of $33,428,200, or so much thereof as may be necessary, is appropriated to the State Board of Education for additional expenses incurred in connection with the following purposes: for orphanage tuition claims and State owned housing claims as provided under Section 18-3 of the School Code, for tuition of disabled children attending schools under Section 14-7.02 of the School Code, for reimbursement to school districts for extraordinary special education and facilities under Section 14-7.02a of the School Code, for reimbursement to school districts for services and materials used in programs for disabled children under Section 14-13.01 of the School Code, for reimbursement on a current basis only to school districts that provide for education of handicapped orphans from residential institutions as well as foster children who are mentally inpaired or behaviorally disordered as provided under Section 14-7.03 of the School Code, for reimbursement to school districts qualifying under Section 29-5 of the School Code for a portion of the cost of transporting common school pupils, for reimbursement to school districts for a portion of the cost of transporting disabled students under subsection (b) of Section 14-13.01 of the School Code, for reimbursement to school districts for providing free lunch and breakfast programs under the provision of the School Breakfast and Lunch Program Act, and for summer school payments as provided by Section 18-4.3 of the School Code.

(Source: P.A. 92-538, eff. 7-1-02.)

Section 99. Effective date. This Act takes effect upon becoming law.".

Under the rules, the foregoing **Senate Bill No. 2390**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in H.A.'s 1, 2 and 3 to Senate Bill 912

Motion to Concur in H.A.'s 1 and 2 to Senate Bill 2390

LEGISLATIVE MEASURE FILED

The following floor amendment to the House Joint Resolution listed below has been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 1 to House Joint Resolution 83

REPORTS FROM RULES COMMITTEE

Senator Weaver, Chairperson of the Committee on Rules, during its December 5, 2002 meeting, reported the following House Bill has been assigned to the indicated Standing Committee of the Senate:

Public Health and Welfare: **House Bill No. 2787.**

Senator Weaver, Chairperson of the Committee on Rules, during its December 5, 2002 meeting, reported the following Legislative Measure has been assigned to the indicated Standing Committee of the Senate:

Executive: **Senate Amendment No. 1 to House Bill 5159.**

Senator Weaver, Chairperson of the Committee on Rules, during its December 5, 2002 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Appropriations: **Motion to Concur with House Amendment 1 & 2 to Senate Bill 2390.**

Executive: **Motions to Concur with House Amendments 1 and 2 to Senate Bill 616; House Amendments 1, 2 and 3 to Senate Bill 912; House Amendment 1 to Senate Bill 1609; House Amendment 2 to Senate Bill 1809; House Amendment 1 to Senate Bill 1976.**

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2424

A bill for AN ACT concerning State finance.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2424

Passed the House, as amended, December 5, 2002.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2424

AMENDMENT NO. 1. Amend Senate Bill 2424, on page 2, line 9,

after "accounts", by inserting the following:
"before the accounts have been certified as uncollectible under this Section"; and
on page 2, by replacing lines 15 through 19 with the following:
"schedule for the various receivables. The contractor shall remit the amount collected, net of the contingent fee, to the respective State agency which shall deposit the net amount received into the fund that would have received the receipt had it been collected by the State agency. No portion of the"; and
on page 2, by replacing line 25 with the following:
"Director of Central Management Services may sell the debts that are eligible for sale to one or more outside"; and
on page 2, by replacing lines 31 and 32 with the following:
"shall provide for a contingent fee. Beginning on the effective date of this amendatory Act of"; and
on page 2, line 34, by replacing "the State Comptroller" with "the Department of Central Management Services"; and
on page 3, by replacing line 4 with the following:
"Assembly, the Director of Central Management Services shall direct the State Comptroller to deposit the first"; and
on page 3, line 5, after "Section", by inserting the following:
", excluding those funds that by law may not be diverted from their original purpose,"; and
on page 3, line 7, by deleting "by the State Comptroller".

Under the rules, the foregoing **Senate Bill No. 2424**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1264
A bill for AN ACT regarding taxes.

Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 1264.

Concurred in by the House, December 5, 2002.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5169
A bill for AN ACT in relation to public employee benefits.

Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 5169.

Concurred in by the House, June 1, 2002.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 56

Concurred in by the House, December 5, 2002.
ANTHONY D. ROSSI, Clerk of the House

COMMITTEE MEETING ANNOUNCEMENTS

Senator Karpiel, announced that the Executive Committee will meet today in Room 212, Capitol Building, at 1:30 o'clock p.m.

Senator Donahue, Vice-Chairperson of the Committee on Appropriations announced that the Appropriations Committee will meet today in Room 212, Capitol Building, at 2:00 o'clock p.m.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 565
Offered by Senator E. Jones - Demuzio and all Senators:
Mourns the death of Christine Prevolos of Chicago.

SENATE RESOLUTION NO. 566
Offered by Senator Demuzio - E. Jones and all Senators:
Mourns the death of Frances E. Clarke of Farmersville.

The foregoing resolutions were referred to the Resolutions Consent Calendar.

CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator Philip moved that **Senate Resolution No. 517**, on the Secretary's Desk, be taken up for immediate consideration.
The motion prevailed.
The following amendment was offered in the Committee on Executive, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Resolution 517 on page 1, by replacing lines 2 through 30 with the following:
"WHEREAS, Combat is inherently dangerous, for both ground forces and aircrews; in a combat environment, aircrews are called upon to make split-second, life or death decisions; and
WHEREAS, Combat operations on the ground and in the air in a war zone can be chaotic and complete information on the location of both friendly and hostile forces is often unavailable; and
WHEREAS, Major William Umbach and Major Harry Schmidt were the pilots in a friendly-fire incident involving Canadian ground forces on April 17, 2002 in Afghanistan; and
WHEREAS, Neither pilot had reliable information on the disposition of enemy or friendly forces on the ground or of live-fire exercises being conducted by coalition forces; and
WHEREAS, Both Major Schmidt and Major Umbach believed that they were taking ground fire from an unknown source and that they were required to suppress that fire in self-defense; and

WHEREAS, Friendly fire accidents have been present in every major conflict and have always been considered a tragic part of warfare; and

WHEREAS, These two pilots are highly qualified and experienced and both are members of the Illinois Air National Guard; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that together with Governor George Ryan, the VFW Northenders Post Number 10302 of Springfield, and many other individuals and organizations, we stand in support of Major Umbach and Major Schmidt; and be it further

RESOLVED, That a suitable copy of this resolution be presented to President George W. Bush, Commander in Chief, General Richard B. Myers, Chairman of the Joint Chiefs of Staff, General John P. Jumper, Chief of Staff of the United States Air Force, and the VFW Northenders Post Number 10302.".

Senator Philip moved that **Senate Resolution No. 517**, as amended, be adopted.

The motion prevailed.

And the resolution, as amended, was adopted.

Senator Roskam moved that **Senate Resolution No. 543**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Resolution 543 on page 1, line 5, by deleting "an accomplice or"; and
on page 1, lines 9, 13, 17, 20, 23, 26, 27, and 29, by deleting "accomplice or" each time it appears; and
on page 1, line 29, after the period, by inserting the following:
""Incarcerated informant" means a witness whose entire knowledge of the crime stems solely from information obtained from another incarcerated person, while incarcerated contemporaneously with the witness.".

Senator Roskam moved that **Senate Resolution No. 543**, as amended, be adopted.

The motion prevailed.

And the resolution, as amended, was adopted.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator DeLeo, **Senate Bill No. 1701**, with House Amendments numbered 1, 3 and 6 on the Secretary's Desk, was taken up for immediate consideration.

Senator DeLeo moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Bomke

Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 3 and 6 to **Senate Bill No. 1701**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Roskam, **Senate Bill No. 1966**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Roskam moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 36; Nays 17; Present 5.

The following voted in the affirmative:

Brady
Burzynski
Cronin
Cullerton
DeLeo
del Valle
Dillard
Donahue
Geo-Karis
Hawkinson
Jacobs
Jones, W.
Karpiel
Klemm
Lauzen
Luechtefeld
Mahar
Molaro
Myers
Noland
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Roskam
Rupley
Sieben
Stone
Sullivan
Syverson
Watson
Weaver
Mr. President

The following voted in the negative:

Bomke
Clayborne
Demuzio
Haine
Halvorson
Hendon
Jones, E.

Lightford
Munoz
Ronen
Shadid
Shaw
Silverstein
Trotter
Viverito
Welch
Woolard

The following voted present:

Link
Madigan
Obama
O'Daniel
Walsh

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1966**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

CONSIDERATION OF SENATE AMENDMENT TO HOUSE BILL ON SECRETARY'S DESK

On motion of Senator Sieben, **House Bill No. 4157**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sieben moved that the Senate recede from its Amendment No. 1 to House Bill No. 4157.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel

Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate receded from their Amendment No. 1 to **House Bill No. 4157**.

Ordered that the Secretary inform the House of Representatives thereof.

CONSIDERATION OF HOUSE BILL VETOED BY THE GOVERNOR

Pursuant to Motion in Writing filed and journalized on December 4, 2002, Senator Roskam moved that **House Bill No. 2058** do pass, the specific recommendations of the Governor to the contrary notwithstanding.

And on that motion, a call of the roll was had resulting as follows:

Yeas 55; Nays None; Present 1.

The following voted in the affirmative:

Bomke

Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Roskam
Rupley
Shadid
Shaw
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The following voted present:

Ronen

This bill, having received the vote of three-fifths of the

members elected, was declared passed, the specific recommendations of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 1:25 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 3:30 o'clock p.m., the Senate resumed consideration of business.

Senator Donahue, presiding.

REPORTS FROM STANDING COMMITTEES

Senator Rauschenberger, Chairperson of the Committee on Appropriations, to which was referred the Motion to concur with House amendments to the following Senate Bill, reported that the Committee recommends that it be approved for consideration:

Motion to concur H.A.'s 1 and 2 to Senate Bill 2390

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Klemm, Chairperson of the Committee on Executive, to which was referred the Motions to concur with House amendments to the following Senate Bills, reported that the Committee recommends that they be adopted:

Motion to concur H.A.'s 1 and 2 to Senate Bill 616
Motion to concur H.A.'s 1, 2 & 3 to Senate Bill 912
Motion to concur House Amendment 1 to Senate Bill 1609
Motion to concur House Amendment 2 to Senate Bill 1809
Motion to concur House Amendment 1 to Senate Bill 1976

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Klemm, Chairperson of the Committee on Executive to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Amendment No. 1 to House Bill 5159

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

At the hour of 3:32 o'clock p.m., Senator Geo-Karis presiding.

HOUSE BILL RECALLED

On motion of Senator Philip, **House Bill No. 5159** was recalled from the order of third reading to the order of second reading.

Senator Sieben offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend House Bill 5159 by replacing everything after the enacting clause with the following:

"Section 5. The Rural Bond Bank Act is amended by changing Section 3-3 as follows:

(30 ILCS 360/3-3) (from Ch. 17, par. 7203-3)

Sec. 3-3. Bonds and notes of the Bank.

(a) The Bank may issue its bonds and notes from time to time in any principal amounts that it considers necessary to provide funds for any of the purposes authorized by this Act, including:

(1) the making of loans;

(2) the payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds issued by the Bank, whether the bonds or interest to be funded or refunded have or have not become due or subject to redemption before maturity in accordance with their terms;

(3) the establishment or increase of reserves to secure or to pay bonds or interest on the bonds; and

(4) all other costs or expenses of the Bank incident to and necessary or convenient to carry out its corporate purposes and powers.

(b) Except as expressly provided otherwise in this Act or by the Bank, every issue of bonds shall be general obligations of the Bank payable out of any revenues or funds of the Bank, subject only to any agreements with the holders of particular bonds pledging any particular revenues or funds. General obligation bonds may be additionally secured by a pledge of any grants, subsidies, contributions, funds or money from the federal government, the State, any governmental unit, any person or a pledge of any income or revenues, funds or money of the Bank from any source.

Not less than 30 days prior to the commitment to issue its bonds, or the making of loans or the purchasing of securities for the purpose of financing residential properties or related improvements, the Bank shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after notice is provided, the Illinois Housing Development Authority shall either in writing express interest in financing the residential property or related improvements or notify the Bank that it is not interested in providing such financing and the Bank may finance it or seek alternative financing.

(c)(1) The Bank may issue its notes for any corporate purpose of the Bank from time to time, in any principal amounts that it considers necessary, and may renew or pay and retire or refund the notes from the proceeds of bonds or of other notes, or from any other funds or money of the Bank available or to be made available for that purpose in accordance with any contract between the Bank and the noteholders, not otherwise pledged. The notes shall be issued in the same manner as bonds. The notes and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which the bonds or a bond resolution of the Bank may contain.

(2) Unless provided otherwise in any contract between the Bank and the noteholders, and unless the notes have been otherwise paid, funded or refunded, the proceeds of any bonds of the Bank issued, among other things, to fund such outstanding notes, shall be held, used and applied by the Bank to the payment and retirement of the principal of these notes and the interest due and payable on the notes.

(3) The Bank may make contracts for the future sale from time to time of the notes under which the purchaser is committed

to purchase the notes from time to time on terms and conditions stated in the contracts. The Bank may pay any consideration that it determines proper for these commitments.

(d) Whether or not the bonds or notes of the Bank are of such form and character as to be negotiable instruments under Article 8 of the Uniform Commercial Code, the bonds and notes shall be and are made negotiable instruments within the meaning of and for all the purposes of the Uniform Commercial Code, subject only to the provisions of the bonds and notes for registration.

(e) Bonds or notes of the Bank shall be authorized by resolution of the Bank and may be issued in one or more series. The resolution or resolutions may provide:

(1) the date or dates the bonds or notes will bear;

(2) the time or times the bonds or notes will mature;

(3) the rate or rates of interest per year the bonds or notes will bear;

(4) the denomination or denominations of the bonds or notes;

(5) the form of the bonds or notes, either coupon or registered;

(6) the conversion or registration privileges carried by the bonds or notes;

(7) the rank or priority of the bonds or notes;

(8) the manner of execution of the bonds or notes;

(9) the sources, medium and place or places, within or outside this State, of payment; and

(10) the terms of redemption of the bonds or notes, with or without premium.

(f) Bonds or notes of the Bank may be sold at public or private sale at the time or times and at the price or prices determined by the Bank.

(g) Upon approval of the Governor, except as otherwise provided herein, bonds or notes of the Bank may be issued under this Act without obtaining the consent of any other department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this Act. Approval of the Governor is not required for issuances of bonds or notes as to which the Bank has determined that subsection (c) of Section 2-6 shall not apply.

(h) The Bank may from time to time issue its notes as provided in this Act and pay and retire or fund or refund those notes from proceeds of bonds or of other notes, or from any other funds or money of the Bank available or to be made available for those purposes in accordance with any contract between the Bank and the noteholders. Unless provided otherwise in any contract between the Bank and the holders of notes, and unless the notes have been otherwise paid, funded or refunded, the proceeds of any bonds of the Bank issued, among other things, to fund those outstanding notes, shall be held, used and applied by the Bank to the payments and retirement of the principal of the notes and the interest due and payable on the notes.

(i) The total aggregate original principal amount of all bonds and notes issued by the Bank shall not exceed $245,000,000, excluding bonds and notes issued to refund outstanding bonds and notes ~~$200,000,000~~. No more than $60,000,000 ~~$50,000,000~~ in aggregate original principal amount of all bonds and notes issued by the Bank shall be used to purchase local governmental securities issued by governmental units located in a county having a population in excess of 3,000,000 or in a County contiguous with a county having a population in excess of 3,000,000. All bonds and notes issued by the

Bank heretofore shall be deemed to be included in said limits.

The bonds and notes issued by the Bank may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act.

(j) The State of Illinois pledges to and agrees with the holders of the bonds and notes of the Bank issued pursuant to this Act that the State will not limit or alter the rights and powers vested in the Bank by this Act so as to impair the terms of any contract made by the Bank with those holders or in any way impair the rights and remedies of those holders until those bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Bank issued pursuant to this Act that the State will not limit or alter the basis on which State funds are to be paid to the Bank as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Bank is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued pursuant to this Act.

(Source: P.A. 89-211, eff. 8-3-95; 90-709, eff. 8-7-98.)

Section 99. Effective date. This Act takes effect upon becoming law.".

The motion prevailed and the amendment was adopted and ordered printed.

And **House Bill No. 5159**, as amended, was returned to the order of third reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Sieben, **House Bill No. 5159** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays None.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs

Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Shea
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Sullivan, **House Bill No. 1531** was recalled from the order of third reading to the order of second reading.

Senator Sullivan offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend House Bill 1531 by replacing the title with the following:

"AN ACT concerning State finance."; and

by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by changing

Sections 13.2 and 25 as follows:

(30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

Sec. 13.2. Transfers among line item appropriations.

(a) Transfers among line item appropriations from the same treasury fund for the objects specified in this Section may be made in the manner provided in this Section when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made.

No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education. Transfers may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation for employee retirement contributions paid by the employer, nor from any appropriation for State contribution for employee group insurance. Further, if an agency receives a separate appropriation for employee retirement contributions paid by the employer, any transfer by that agency into an appropriation for personal services must be accompanied by a corresponding transfer into the appropriation for employee retirement contributions paid by the employer, in an amount sufficient to meet the employer share of the employee contributions required to be remitted to the retirement system.

(b) In addition to the general transfer authority provided under subsection (c), the following agencies have the specific transfer authority granted in this subsection:

The Illinois Department of Public Aid is authorized to make transfers representing savings attributable to not increasing grants due to the births of additional children from line items for payments of cash grants to line items for payments for employment and social services for the purposes outlined in subsection (f) of Section 4-2 of the Illinois Public Aid Code.

The Department of Children and Family Services is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following line items among these same line items: Foster Home and Specialized Foster Care and Prevention, Institutions and Group Homes and Prevention, and Purchase of Adoption and Guardianship Services.

The Department on Aging is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following Community Care Program line items among these same line items: Homemaker and Senior Companion Services, Case Coordination Units, and Adult Day Care Services.

The State Treasurer is authorized to make transfers among line item appropriations from the Capital Litigation Trust Fund when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

(c) The sum of such transfers for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for the following objects: Personal Services; Extra Help; Student and Inmate Compensation; State Contributions to Retirement Systems; State Contributions to Social Security; State Contribution for Employee Group Insurance; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Operation of Automotive Equipment; Telecommunications Services; Travel and Allowance for Committed, Paroled and Discharged Prisoners;

Library Books; Federal Matching Grants for Student Loans; Refunds; Workers' Compensation, Occupational Disease, and Tort Claims; and, in appropriations to institutions of higher education, Awards and Grants. Notwithstanding the above, any amounts appropriated for payment of workers' compensation claims to an agency to which the authority to evaluate, administer and pay such claims has been delegated by the Department of Central Management Services may be transferred to any other expenditure object where such amounts exceed the amount necessary for the payment of such claims.

(c-1) Special provisions for State fiscal year 2003. Notwithstanding any other provision of this Section to the contrary, for State fiscal year 2003 only, transfers among line item appropriations to an agency from the same treasury fund may be made provided that the sum of such transfers for an agency in State fiscal year 2003 shall not exceed 3% of the aggregate amount appropriated to that State agency for State fiscal year 2003 for the following objects: personal services, except that no transfer may be approved which reduces the aggregate appropriations for personal services within an agency; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; and, in appropriations to institutions of higher education, awards and grants.

(d) Transfers among appropriations made to agencies of the Legislative and Judicial departments and to the constitutionally elected officers in the Executive branch require the approval of the officer authorized in Section 10 of this Act to approve and certify vouchers. Transfers among appropriations made to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Mathematics and Science Academy and the Board of Higher Education require the approval of the Board of Higher Education and the Governor. Transfers among appropriations to all other agencies require the approval of the Governor.

The officer responsible for approval shall certify that the transfer is necessary to carry out the programs and purposes for which the appropriations were made by the General Assembly and shall transmit to the State Comptroller a certified copy of the approval which shall set forth the specific amounts transferred so that the Comptroller may change his records accordingly. The Comptroller shall furnish the Governor with information copies of all transfers approved for agencies of the Legislative and Judicial departments and transfers approved by the constitutionally elected officials of the Executive branch other than the Governor, showing the amounts transferred and indicating the dates such changes were entered on the Comptroller's records.

(Source: P.A. 92-600, eff. 6-28-02.)

(30 ILCS 105/25) (from Ch. 127, par. 161)

Sec. 25. Fiscal year limitations.

(a) All appropriations shall be available for expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or emergency appropriation shall be available for expenditure only through June 30 of the year

when the Act making that appropriation is enacted unless that Act otherwise provides.

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 2-month period ending at the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee whose compensation is subject to income tax withholding must be performed as of June 30 of the fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations.

Medical payments may be made by the Department of Veterans' Affairs from its appropriations for those purposes for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year.

Medical payments may be made by the Department of Public Aid and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) from appropriations for those purposes for any fiscal year, without regard to the fact that the medical or child care services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at the direction of the Department of Central Management Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund without regard to any fiscal year limitations.

Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State agency from its appropriations with the approval of the Department of Human Services, from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to any fiscal year limitations.

Further, payments may be made by the State Treasurer from its appropriations from the Capital Litigation Trust Fund without regard to any fiscal year limitations.

(c) Further, payments may be made by the Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) from their respective appropriations for grants for medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, rape victims, and premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment may have been rendered in a prior fiscal year.

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the

respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Public Aid and the Department of Human Services (acting as successor to the Department of Public Aid) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(g) In addition, each annual report required to be submitted by the Department of Public Aid under subsection (e) shall include the following information with respect to the State's Medicaid program:

(1) Explanations of the exact causes of the variance between the previous year's estimated and actual liabilities.

(2) Factors affecting the Department of Public Aid's liabilities, including but not limited to numbers of aid recipients, levels of medical service utilization by aid recipients, and inflation in the cost of medical services.

(3) The results of the Department's efforts to combat fraud and abuse.

(h) As provided in Section 4 of the General Assembly Compensation Act, any utility bill for service provided to a General Assembly member's district office for a period including portions of 2 consecutive fiscal years may be paid from funds appropriated for such expenditure in either fiscal year.

(i) An agency which administers a fund classified by the Comptroller as an internal service fund may issue rules for:

(1) billing user agencies in advance based on estimated charges for goods or services;

(2) issuing credits during the subsequent fiscal year for all user agency payments received during the prior fiscal year which were in excess of the final amounts owed by the user agency for that period; and

(3) issuing catch-up billings to user agencies during the subsequent fiscal year for amounts remaining due when payments received from the user agency during the prior fiscal year were less than the total amount owed for that period.

User agencies are authorized to reimburse internal service funds for catch-up billings by vouchers drawn against their respective appropriations for the fiscal year in which the catch-up billing was issued.

(Source: P.A. 89-235, eff. 8-4-95; 89-507, eff. 7-1-97; 89-511, eff. 1-1-97; 90-14, eff. 7-1-97; 90-168, eff. 7-23-97.)

Section 99. Effective date. This Act takes effect upon becoming law.".

The motion prevailed and the amendment was adopted and ordered printed.

And **House Bill No. 1531**, as amended, was returned to the order of third reading.

READING A BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Sullivan, **House Bill No. 1531** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen

Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Cronin, **Senate Bill No. 616**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cronin moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel

Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 616**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Lightford, **Senate Bill No. 912**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Lightford moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 50; Nays 5.

The following voted in the affirmative:

Bomke
Clayborne
Cronin

Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Shea
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Trotter
Viverito
Walsh
Watson
Weaver
Woolard
Mr. President

The following voted in the negative:

Burzynski
O'Malley
Rauschenberger
Syverson
Welch

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 912**, by a three-fifths vote.

[Dec. 5, 2002]

Ordered that the Secretary inform the House of Representatives thereof.

Senator Brady asked and obtained unanimous consent for the Journal to reflect his affirmative vote on **Senate Bill No. 912**.

On motion of Senator Bomke, **Senate Bill No. 1609**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bomke moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 32; Nays 3; Present 23.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Cronin
Dillard
Donahue
Geo-Karis
Hawkinson
Jones, W.
Karpiel
Klemm
Lauzen
Luechtefeld
Mahar
Myers
Noland
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Roskam
Rupley
Sieben
Stone
Sullivan
Syverson
Watson
Weaver
Mr. President

The following voted in the negative:

Hendon
Jacobs
Jones, E.

The following voted present:

Clayborne
Cullerton

DeLeo
del Valle
Demuzio
Haine
Halvorson
Lightford
Link
Madigan
Molaro
Munoz
Obama
O'Daniel
Ronen
Shadid
Shaw
Silverstein
Trotter
Viverito
Walsh
Welch
Woolard

Having failed to receive the vote of three-fifths of the members elected, the motion lost.

On motion of Senator Weaver, **Senate Bill No. 1809**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Weaver moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 54; Nays None.

The following voted in the affirmative:

Bomke
Brady
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld

Madigan
Mahar
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1809**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Peterson, **Senate Bill No. 1976**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Peterson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None; Present 2.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis

Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The following voted present:

Lauzen
O'Malley

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 1976, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

MOTION IN WRITING

Senator Hendon submitted the following Motion in Writing:

[Dec. 5, 2002]

Pursuant to Senate Rule 7-15 and having voted on the prevailing side, I move that the Senate reconsider the vote by which **Senate Bill 1609** failed.

DATE: December 5, 2002 Rickey Hendon
Senator

And on that motion, a call of the roll was had resulting as follows: Yeas 50; Nays 3.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Dillard
Donahue
Geo-Karis
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan
Mahar
Munoz
Myers
Noland
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Rupley
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver

Woolard
Mr. President

The following voted in the negative:

Demuzio
Shadid
Welch

The motion prevailed.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Bomke, **Senate Bill No. 1609**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bomke moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Brady
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Luechtefeld
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea

Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Rupley
Shadid
Shaw
Sieben
Silverstein
Stone
Sullivan
Syverson
Trotter
Viverito
Walsh
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1609**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Trotter, **Senate Bill No. 2390**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 49; Nays 5; Present 1.

The following voted in the affirmative:

Bomke
Brady
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Geo-Karis
Haine
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm

Lightford
Link
Madigan
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Daniel
O'Malley
O'Shea
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Rupley
Shadid
Shaw
Silverstein
Sullivan
Trotter
Viverito
Walsh
Watson
Weaver
Woolard
Mr. President

The following voted in the negative:

Burzynski
Rauschenberger
Sieben
Stone
Welch

The following voted present:

Luechtefeld

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2390**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

MESSAGE FROM THE GOVERNOR

A Message for the Governor by Michael P. Madigan
Director, Legislative Affairs

December 5, 2002

Mr. President,

The Governor directs me to lay before the Senate the Following Message:

STATE OF ILLINOIS
EXECUTIVE DEPARTMENT

To The Honorable
Members of the Senate
Ninety-Second General Assembly:

I have nominated and appointed the following named persons to the offices enumerated below and respectfully ask concurrence in and confirmation of these appointments of your Honorable Body:

ADVISORY BOARD OF THE ABRAHAM LINCOLN PRESIDENTIAL LIBRARY

To be members of the Advisory Board of the Abraham Lincoln Presidential Library for terms commencing upon confirmation by the Senate, and ending December 31, 2007:

Charles T. Cullen of Evanston
Non-Salaried

Garry Wills of Evanston
Non-Salaried

To be members of the Advisory Board of the Abraham Lincoln Presidential Library for terms commencing upon confirmation by the Senate, and ending December 31, 2008:

Lonnie G. Bunch of Oak Park
Non-Salaried

Richard J. Franke of Chicago
Non-Salaried

ILLINOIS COMMUNITY COLLEGE BOARD

To be a member of the Illinois Community College Board for a term commencing upon confirmation by the Senate, and ending June 30, 2007:

Marjorie P. Cole of Glen Ellyn
Non-Salaried

ILLINOIS STUDENT ASSISTANCE COMMISSION

To be a member of the Illinois Student Assistance Commission for a term commencing upon confirmation by the Senate, and ending June 30, 2007:

Mary Ann Louderback of Cary
Non-Salaried

STATE BOARD OF EDUCATION

To be a member of the State Board of Education

for a term commencing January 8, 2003, and ending January 14, 2009:

Dean E. Clark of Glen Ellyn
Non-Salaried

GEORGE H. RYAN

Under the rules, the foregoing Message was referred to the Committee on Executive Appointments.

RESOLUTIONS CONSENT CALENDAR

SENATE RESOLUTION NO. 544

Offered by Senator Geo-Karis and all Senators:

Mourns the death of Michael V. "Mikey" Springer, Jr. of Winthrop Harbor.

SENATE RESOLUTION NO. 545

Offered by Senator Sullivan and all Senators:

Mourns the death of Edwin M. "Bud" Zeman of Park Ridge.

SENATE RESOLUTION NO. 546

Offered by Senator Demuzio and all Senators:

Mourns the death of Albert T. "Auggie" DiCenso of Springfield.

SENATE RESOLUTION NO. 547

Offered by Senator Demuzio and all Senators:

Mourns the death of Delores M. Edwards of Gillespie.

SENATE RESOLUTION NO. 548

Offered by Senator Demuzio and all Senators:

Mourns the death of William "Harris" Franklin, Sr. of Pleasant Hill.

SENATE RESOLUTION NO. 549

Offered by Senator Demuzio and all Senators:

Mourns the death of John K. McCann of Springfield.

SENATE RESOLUTION NO. 550

Offered by Senator O'Malley and all Senators:

Mourns the death of Joseph J. Kaptur.

SENATE RESOLUTION NO. 551

Offered by Senator O'Malley and all Senators:

Mourns the death of Daniel W. Snyder Sr. of Blue Island.

SENATE RESOLUTION NO. 552

Offered by Senator O'Malley and all Senators:

Mourns the death of Patrick L. O'Malley Sr. of Chicago.

SENATE RESOLUTION NO. 553

Offered by Senator Parker and all Senators:

Mourns the death of William A. Boone of Glencoe.

SENATE RESOLUTION NO. 554

Offered by Senator Clayborne and all Senators:

Mourns the death of former St. Clair County Circuit Judge Jerome Francis Lopinot.

SENATE RESOLUTION NO. 555
Offered by Senator Shadid and all Senators:
Mourns the death of Zack O. Monroe of Peoria.

SENATE RESOLUTION NO. 557
Offered by Senator Lauzen and all Senators:
Mourns the death of Judy Behrens Dunham of Aurora.

SENATE RESOLUTION NO. 558
Offered by Senator Lauzen and all Senators:
Mourns the death of Tyler B. Caruso of St. Charles.

SENATE RESOLUTION NO. 559
Offered by Senator Lauzen and all Senators:
Mourns the death of Edith Marie Tonyan of Aurora.

SENATE RESOLUTION NO. 560
Offered by Senator Lauzen and all Senators:
Mourns the death of Sister M. Gretchen Bergschneider of Springfield.

SENATE RESOLUTION NO. 561
Offered by Senator Lauzen and all Senators:
Mourns the death of Robert A. Peters, Sr. of Aurora.

SENATE RESOLUTION NO. 562
Offered by Senator Lauzen and all Senators:
Mourns the death of Leon F. Bonifas of Aurora.

SENATE RESOLUTION NO. 563
Offered by Senator Lauzen and all Senators:
Mourns the death of Violet M. Moisa of Aurora.

SENATE RESOLUTION NO. 564
Offered by Senator Lauzen and all Senators:
Mourns the death of Marie Wallace deMartelly of Girard.

SENATE RESOLUTION NO. 565
Offered by Senator E. Jones - Demuzio and all Senators:
Mourns the death of Christine Prevolos of Chicago.

SENATE RESOLUTION NO. 566
Offered by Senator Demuzio - E. Jones and all Senators:
Mourns the death of Frances E. Clarke of Farmersville.

Senator Geo-Karis moved the adoption of the foregoing resolutions.
The motion prevailed.
And the resolutions were adopted.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 90

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the House of Representatives adjourns on Thursday, December 5, 2002, it stands adjourned until Friday, January 3, 2003 in Perfunctory Session, and when it adjourns on that day, it stands adjourned until Monday, January 6, 2003 at 2:00 o'clock p.m.; and when the Senate adjourns on Thursday, December 5, 2002, it stands adjourned until Monday, January 6, 2003 at 3:00 o'clock p.m.

Adopted by the House, December 5, 2002.

ANTHONY D. ROSSI, Clerk of the House

By unanimous consent, on motion of Senator Weaver, the foregoing message reporting **House Joint Resolution No. 90** was taken up for immediate consideration.

Senator Weaver moved that the Senate concur with the House in the adoption of the resolution.

The motion prevailed.

And the Senate concurred with the House in the adoption of the resolution.

Ordered that the Secretary inform the House of Representatives thereof.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the acceptance of the Governor's specific recommendation for change, which is attached, to a bill of the following title, to-wit:

SENATE BILL 1657

A bill for AN ACT in relation to vehicles.

Concurred in by the House, December 3, 2002.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT TO SENATE BILL 1657
IN ACCEPTANCE OF GOVERNOR'S RECOMMENDATIONS

Amend Senate Bill 1657 on page 8, by replacing lines 7 and 8 with "within the limits of a construction project."; and
on page 9, by replacing lines 33 and 34 with "are within the limits of a construction project.".

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the acceptance of the Governor's specific recommendation for change, which is attached, to a bill of the following title, to-wit:

SENATE BILL 1622

A bill for AN ACT creating the Fire Sprinkler Contractor Licensing Act.

Concurred in by the House, December 4, 2002.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT TO SENATE BILL 1622
IN ACCEPTANCE OF GOVERNOR'S RECOMMENDATIONS

Amend Senate Bill 1622, on page 6, by replacing lines 27 through 32 with the following:

"(d) All fire sprinkler systems shall have a backflow prevention device or, in a municipality with a population over 500,000, a double detector check assembly installed by a licensed plumber before the fire sprinkler system connection to the water service. Connection to the backflow prevention device or, in a municipality with a population over 500,000, a double detector assembly shall be done in a manner consistent with the Department of Public Health's Plumbing Code.".

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, the Governor's specific recommendation for change notwithstanding, to-wit:

SENATE BILL 2155

A bill for AN ACT in relation to civil liabilities.

Passed the House, December 4, 2002, by a three-fifths vote.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the passage of a bill of the following title, the veto of the Governor notwithstanding, to-wit:

SENATE BILL 2160

A bill for AN ACT concerning business practices.

Non-concurred in by the House, December 3, 2002.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the passage of a bill of the following title, the Governor's specific recommendation for change notwithstanding, to-wit:

SENATE BILL 2117

A bill for AN ACT concerning medical districts.

Non-concurred in by the House, December 3, 2002.
ANTHONY D. ROSSI, Clerk of the House

At the hour of 4:22 o'clock p.m., on motion of Senator Noland, and pursuant to **House Joint Resolution No. 90,** the Senate stood adjourned until Monday, January 6, 2003 at 3:00 o'clock p.m.